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National Council of Savings Institutions

National Fact Book of Savings Institutions

1987

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National Council of Savings Institutions

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Savings Institution Highlights 1986–1987

The economy continued to expand at a moderate pace in 1986 and the first half of 1987, setting a new longevity record for peacetime expansions. After a brief surge during the spring of 1986, interest rates continued their modest decline throughout the remainder of the year. The downward trend reflected weak credit demands as well as continued moderation in inflationary expectations. The interest rates bottomed out during the first quarter of this year before a weakening dollar and fears of renewed inflation sent them climbing once again. Consumer prices rose over the first half of 1987 at about a 5.5 percent pace, up sharply from the latter part of 1986. This uptick was triggered by a rebound in oil prices and a continued depreciation in the value of the dollar; however, neither of these phenomena is expected to be a contributor to inflation during the rest of this year. Indeed, recent stability in the dollar has encouraged the financial markets and fostered a modest decline in rates.

Although real growth in the economy has remained relatively steady at about a 3 percent pace over the past 2½ years, there are significant changes taking place beneath the surface. The growth which occurred early on in the expansion was fueled by the consumer. Rapid income growth and gains from the stock and bond markets allowed the consumer to satisfy years of pent-up demand. By late 1986, however, high consumer debt levels and slowing income growth caused consumption to drop from its earlier pace. The source of economic growth shifted to the international trade sector, as two years of a depreciating dollar finally showed signs of reversing the trade deficit. While the strength in first one sector and then another was enough to keep the economy growing, the imbalance was cause for concern. By mid-1987, however, consumption appeared to be picking up once again and trade was continuing to improve. Housing was hurt somewhat by the interest rate spike in early 1987, but business investment, especially in equipment, was finally showing signs of perking up. The employment rate dropped steadily throughout the expansion and broke through the 6.0 percent level by the second quarter of this year—the first time since the late 1970s. In short, the economy by mid-1987 was growing at a sustainable 3 percent rate and had better balance than at any time since early in the expansion.

The general downward trend in interest rates since mid-1982 has provided an ideal environment for a recovery in thrift institution profits. The drop in interest rates, combined with growth in the New England economy, enabled savings banks to generate record profits in 1985 and again in 1986. The rebound in profits and the continued surge in stock issuance have allowed savings banks to boost capital to levels not seen since the late 1970s. Savings and loans, on the other hand, have had mixed experiences. Most institutions are seeing a renewal in earnings and capital growth; however, a minority of institutions have suffered increasing asset-quality problems, losses and capital deterioration. A large number of these poorer institutions are located in "oil patch" and agricultural states whose local economies have not shared in the overall economic growth.

The expectations for the next year call for continued economic growth, with some modest increase in inflation and interest rates. The housing market is also expected to show continued, albeit moderate, growth. In this environment, the majority of the nation's thrifts will continue to be profitable and add to their capital. In early August, the President signed into law a bill allowing the Federal Savings and Loan Insurance Corporation to recapitalize by borrowing $10.8 billion. This legislation will allow the Federal Home Loan Bank Board to begin addressing the problems of the minority of troubled institutions and set the stage for continued growth and prosperity among the nation's thrifts.

Deposit Flows

Thrift institutions continued to experience net deposit outflows in 1986 and the first half of 1987. This represents the third straight year that withdrawals have exceeded new receipts at savings and loan associations, and the fourth such year in a row for savings banks. Interest credited has more than offset these outflows, and as a result the industry reported overall deposit growth both last year and so far in 1987.

There are a number of reasons for the weak deposit showing. Cheaper alternative sources of funds, asset-based financing, growth restrictions imposed by the Federal Home Loan Bank Board and weak economic growth in some geographical locations have all contributed to the problem.

One bright spot in the deposit flow picture has been the performance of regular savings or passbook accounts. These accounts increased in dollar terms and as a percentage of total deposits at savings banks and savings and loan associations, providing these institutions with a stable low-cost source of funds.

Despite the weak overall deposit performance, savings institutions were able to make use of a variety of alternative sources of funds in order to support asset growth. Savings banks made extensive use of the secondary mortgage markets, selling both whole loans and mortgage-backed securities in order to fund originations. Savings and loan associations substantially increased their borrowing from Federal Home Loan Banks and other sources, making heavy use of reverse repurchase agreements.

The Council's Research and Economics Department expects the overall deposit weakness to continue as competition for the saver's dollar, especially from the stock market, is expected to remain keen. The new sources of funds, however, will continue to allow institutions to obtain sufficient funds to support their lending functions.

Investment Patterns

Except for a brief run-up in the spring, mortgage rates declined on balance over 1986, fostering the strongest housing market since 1978. Both starts and sales were running at levels not seen since the late 1970s, and savings institutions were inundated with refinancings as homeowners sought to take advantage of the substantially lower fixed-rate loans. Savings and loan associations originated over $200 billion in long-term mortgage financings, and savings banks added another $45 billion. Many of these loans were originated for sale to the secondary market, as institutions chose to retain fee and servicing income while avoiding the interest-rate risk inherent in holding fixed-rate loans. Despite this practice, savings institutions maintained about the same percentage of mortgage investments in their respective portfolios as in 1985—about 61 percent for savings banks, and almost 70 percent for savings and loan institutions. Both types of institutions, however, chose to hold more of their portfolios in the form of mortgage-backed securities rather than whole loans.

As the mortgage rates declined in mid-1986, the percentage of adjustable rate mortgages (ARMs) dropped sharply. While this was to be expected in light of the availability of the low-cost fixed-rate loans, ARMs remained a viable alternative in some markets, and by year-end the percentage of variable-rate loans rebounded somewhat. With the rate spike in early 1987, the percentage of variable-rate loans rose toward the 50 percent mark, proving that in today's volatile interest rate climate the variable-rate mortgage is here to stay.

For many thrifts, ARMs continue to be the major device for balancing interest-rate risk in their portfolios. Others have chosen to shorten the durations of their assets through the use of collateralized mortgage obligations and/or some of the more exotic mortgage instruments, while at the same time lengthening the duration of their liabilities with interest-rate swaps or caps. Although a significant amount of interest-rate risk still exists, the use of these various instruments has reduced the interest rate sensitivity of the thrift industry markedly over the last five years.

Earnings

Nowhere in the analysis of the thrift industry is the dichotomy among the institutions so apparent as in the examination of earnings. Savings banks and the majority of savings and loan associations had another record year. Savings banks earned over $2.2 billion in 1986 for a return on average assets of 99 basis points, almost 40 basis points higher than the previous record set in 1985. The reasons for the record are clear: the drop in interest rates reduced costs more than revenues, provided significant capital gain opportunities and fostered a surge in new mortgage and refinancing activity that greatly enhanced fee income.

The record retained earnings, together with an increased number of conversions to stock form, allowed the savings banks to raise their capital to 7.6 percent of assets by year-end 1986. Continued prosperity in 1987 has seen this ratio rise above the 8.0 percent mark by mid-year. Currently, over 112 savings banks are stock owned, up from only 44 at the end of 1985.

The majority of savings and loan associations also had a remarkably profitable year. The 80 percent of the savings and loan associations that were profitable earned over $9 billion for a return on assets that rivaled their savings bank counterparts. Unfortunately, a minority of institutions—about 20 percent—suffering from severe asset-quality problems managed to lose more than the profitable institutions earned. Many of these weaker institutions are located in areas where the local economy has not shared in the overall economic expansion. Despite these problems at a minority of institutions, increased conversion and stock issuance allowed the savings and loan industry to raise its capital levels to 4.6 percent of assets by the close of last year.

With interest rates already higher in 1987 than last year and some slowing in the housing market apparent, thrift institutions will find it hard to match the record earning performance of last year. Barring any significant rise in interest rates, however, we expect thrift profits to remain high by historical standards and to aid significantly in the accumulation of capital.

National Statistics

I. Portfolio Activity

This section describes the assets and liabilities of savings institutions for 1986. Total assets of savings institutions grew over 9.0 percent in 1986, up slightly over the previous two years. These institutions continued to add to their mortgage holdings, albeit at a somewhat slower pace than in past years. As a result, the percentage of mortgage loans in the portfolio fell slightly as institutions preferred the more liquid mortgage-backed security. As shown in Table 8, the trend toward stock ownership form continued in 1986, and currently over 36 percent of the industry is in stock form. The use of stock conversions, together with record earnings at many institutions, raised thrift capital levels to over 5 percent of assets. This ratio was just over 4 percent two years ago.

Table 1

Assets and Liabilities and Percentage Distribution of Savings Institutions, December 31, 1986

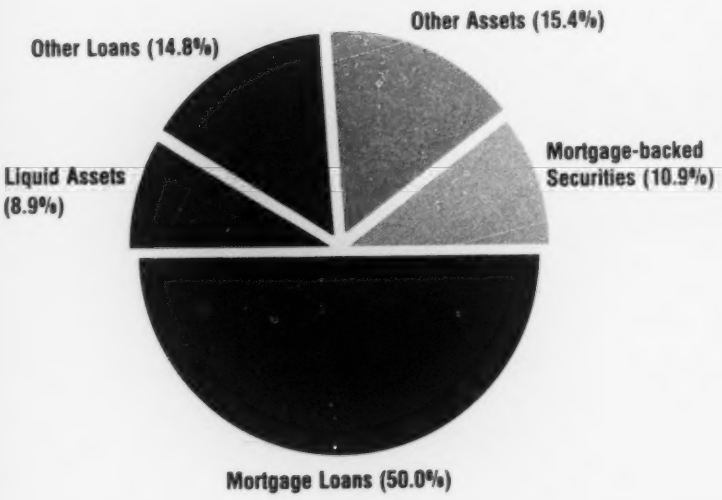
(in millions of dollars)

Item	Total Savings Banks		Total Savings & Loans*		Total Thrifts	
	Assets	Percentage Distribution	Assets	Percentage Distribution	Assets	Percentage Distribution
ASSETS						
Cash and Due from Banks	$ 6,893	2.9%	$ 19,604	1.7%	$ 26,497	1.9%
U.S. Treasury and Federal Agency Obligations	14,207	6.0	145,374	12.5	159,581	11.4
State and Local Obligations	2,185	0.9	—	—	2,185	0.2
Mortgage Investments	144,206	60.9	813,678	69.8	957,884	68.3
Mortgage loans	118,371	50.0	655,936	56.3	774,307	55.2
Mortgage-backed securities	25,835	10.9	157,742	13.5	183,577	13.1
Corporate Bonds	12,840	5.4	—	—	12,840	0.9
Other Bonds, Notes and Debentures	3,401	1.5	—	—	3,401	0.2
Corporate Stock	4,215	1.8	—	—	4,215	0.3
Other Loans	35,127	14.8	72,600	6.2	107,727	7.7
Guaranteed education loans	2,516	1.1	4,238	0.4	6,754	0.5
Consumer installment loans	7,253	3.1	14,772	1.3	22,025	1.6
Home improvement loans	1,058	0.4	4,921	0.4	5,979	0.4
Federal funds	6,242	2.6	—	—	6,242	0.5
Passbook loans	840	0.3	3,924	0.3	4,764	0.3
All other loans	17,218	7.3	44,745	3.8	61,963	4.4
Other Assets	13,794	5.8	114,035	9.8	127,829	9.1
TOTAL ASSETS	$236,868	100.0%	$1,165,291	100.0%	$1,402,159	100.0%
LIABILITIES AND RESERVES						
Regular Deposits	$186,354	78.7%	$ 890,274	76.4%	$1,076,628	76.8%
Ordinary savings	85,549	36.1	269,967	23.2	355,516	25.4
Time	100,805	42.6	620,307	53.2	721,112	51.4
Other Deposits	5,850	2.5	—	—	5,850	0.4
TOTAL DEPOSITS	192,204	81.2	890,274	76.4	1,082,478	77.2
Borrowings and Mortgage Warehousing	20,142	8.5	195,438	16.8	215,580	15.4
Consumer Repurchase Agreements	1,293	0.5	1,069	0.1	2,362	0.2
Other Liabilities	5,130	2.2	25,396	2.2	30,526	2.1
TOTAL LIABILITIES	218,769	92.4	1,112,177	95.5	1,330,946	94.9
Capital Notes and Debentures	877	0.4	19,295	1.6	20,172	1.5
Other General Reserve	17,222	7.2	33,819	2.9	51,041	3.6
TOTAL GENERAL RESERVE	18,099	7.6	53,114	4.5	71,213	5.1
TOTAL LIABILITIES AND RESERVES	$236,868	100.0%	$1,165,291	100.0%	$1,402,159	100.0%
MEMORANDA:						
$100,000 and Over Time Deposits	$ 10,177	4.3%	$ 116,620	10.0%	$ 126,797	9.0%
Number of Savings Institutions	366		3,220		3,586	

*NOTE: Savings and loan data are based on preliminary aggregates from the Federal Home Loan Bank Board, April 15, 1987. FSLIC-insured institutions include savings and loan associations and savings banks insured by FSLIC. Prior to 1983, substantially all of those institutions were savings and loan associations; currently nearly all FSLIC-insured savings banks were formerly FSLIC-insured associations. For savings banks, federal agency obligations are included in U.S. government securities rather than in corporate and other securities. Data are end-of-year. Annual and monthly changes in balance sheet items shown in subsequent tables of the *National Fact Book* are strictly comparable for all periods, reflecting adjustments made to take account of the shifts in reporting procedures as well as for conversions of different types of institutions.

SOURCE: FHLBB and National Council of Savings Institutions.

Chart 1
Distribution of Assets, Savings Banks, 1986



Distribution of Assets, Savings Banks, 1977

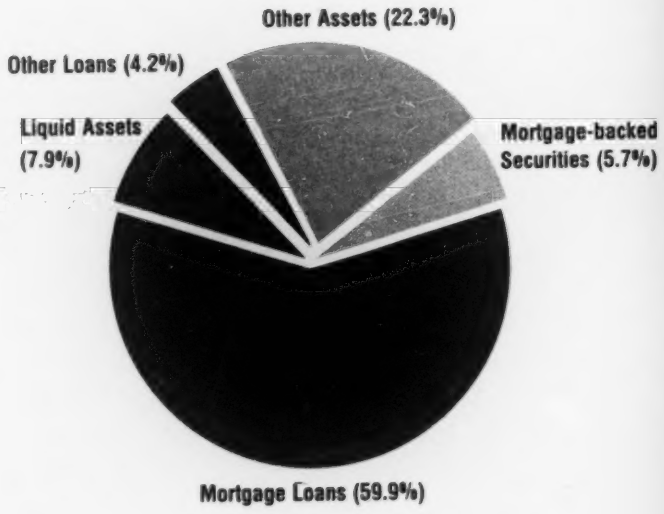
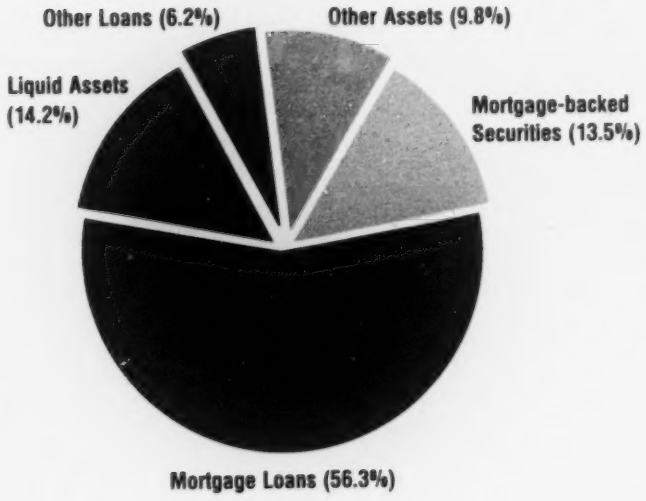


Chart 2
Distribution of Assets, Savings & Loans, 1986



Distribution of Assets, Savings & Loans, 1977

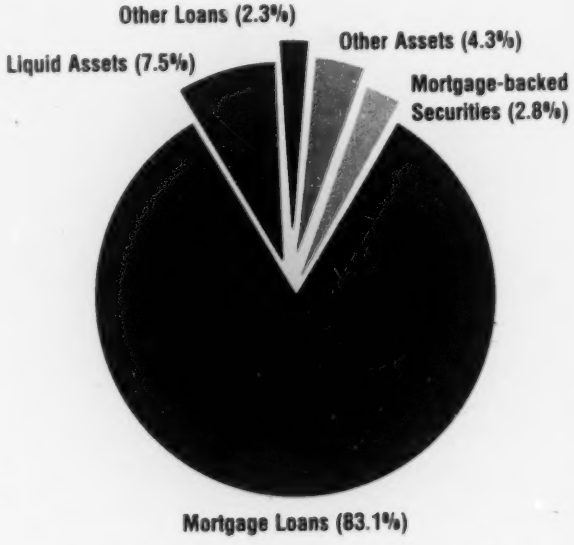


Table 2

Assets and Liabilities of Savings Institutions, 1977–1986

(in millions of dollars)

Year	Mortgage Investments		Securities			Non-mortgage Loans	Cash & Other Assets	Total Assets, Liabilities and General Reserve Accounts	Deposits	Other Liabilities	General Reserve Accounts
	Mortgage Loans	Mortgage-backed Securities	U.S. Government	State & Local	Corporate & Other						
					Savings Banks						
1977	88,195	8,331	5,895	2,828	29,587	6,210	6,240	147,287	134,017	3,292	9,978
1978	95,157	10,021	4,959	3,333	29,711	7,195	7,796	158,174	142,701	4,565	10,907
1979	98,908	11,820	7,658	2,930	25,267	9,253	7,568	163,405	146,006	5,873	11,525
1980	99,865	13,849	8,949	2,390	25,433	11,733	9,344	171,564	153,501	6,694	11,368
1981	99,997	13,911	9,810	2,288	23,879	14,753	11,091	175,728	155,110	10,632	9,986
1982	94,091	14,055	9,743	2,470	22,106	16,957	14,774	174,197	155,196	9,766	9,235
1983	97,347	18,205	15,360	2,177	25,376	19,129	15,933	193,527	172,665	10,496	10,366
1984	103,547	19,517	14,652	2,075	23,779	25,596	17,119	206,285	182,789	12,933	10,563
1985	110,448	19,481	13,111	2,323	21,199	30,876	19,338	216,776	185,972	17,981	12,823
1986	118,371	25,835	14,207	2,185	20,456	35,127	20,687	236,868	192,204	26,565	18,099
					Savings and Loans						
1977	372,434	12,630	30,030	—	—	10,237	22,541	447,872	377,302	46,144	24,426
1978	423,544	16,079	34,808	—	—	11,469	24,854	510,754	420,383	62,235	28,136
1979	466,510	19,926	35,136	—	—	15,799	29,354	566,725	459,501	75,600	31,624
1980	492,689	26,770	41,855	—	—	18,731	35,269	615,314	498,700	84,247	32,367
1981	509,450	32,800	40,761	—	—	18,613	49,400	651,024	512,271	110,923	27,830
1982	470,486	61,050	56,859	—	—	20,778	77,053	686,226	549,957	110,934	25,335
1983	516,358	92,612	73,263	—	—	29,102	103,285	814,620	667,431	114,437	32,752
1984	595,718	112,686	122,191	—	—	45,254	101,602	977,451	784,468	155,821	37,162
1985r	645,498	115,525	127,369	—	—	60,712	120,907	1,070,011	843,932	179,422	46,657
1986	655,936	157,742	145,374	—	—	72,600	133,639	1,165,291	890,274	221,903	53,114

r = revised

NOTE: Savings and loan data are based on preliminary aggregates from the Federal Home Loan Bank Board, April 15, 1987. For savings banks, federal agency obligations are included in U.S. government securities rather than in corporate and other securities. Data are end-of-year. Balance sheet data are net of valuation reserves except for the period from December 31, 1977, to March 31, 1979. Annual and monthly changes in balance sheet items shown in subsequent tables of the *National Fact Book* are strictly comparable for all periods, reflecting adjustments made to take account of the shifts in reporting procedures as well as for conversions of different types of institutions. Detail may not add due to rounding.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 3

Net Flow of Investment Funds from Savings Institutions, 1977–1986

(in millions of dollars)

Year	Total Assets	Mortgage Loans	Mortgage-backed Securities	Cash and Investment Securities
		Savings Banks		
1977	12,365	6,473	2,515	1,432
1978	9,993	6,327	1,630	1,465
1979	5,285	3,888	1,799	1,107
1980	7,576	541	2,014	5,440
1981	2,964	−722	−113	5,494
1982	4,310	−2,680	898	6,757
1983	19,742	3,342	4,183	9,222
1984	12,758	8,573	1,483	−637
1985	10,491	6,901	−36	−1,654
1986	20,092	7,888	6,354	−17,514
		Savings and Loans*		
1977	66,826	57,757	2,321	3,431
1978	63,312	50,880	3,545	5,586
1979	54,797	42,293	3,872	1,578
1980r	50,359	26,917	6,858	11,752
1981r	32,602	14,954	5,835	6,371
1982r	41,595	−35,477	29,028	21,106
1983r	126,505	47,652	29,066	25,493
1984r	159,346	77,713	17,317	25,717
1985r	90,885	50,827	2,491	7,470
1986p	94,713	11,776	41,200	26,030
		Total Thrifts		
1977	79,191	64,230	4,836	4,863
1978	73,305	57,207	5,175	7,051
1979	60,082	46,181	5,671	2,685
1980r	57,935	27,458	8,872	17,192
1981r	35,566	14,232	5,722	11,865
1982r	45,905	−38,157	29,926	27,863
1983r	146,247	50,994	33,249	34,715
1984r	172,104	86,286	18,800	25,080
1985r	101,376	57,728	2,455	5,816
1986	114,805	19,664	47,554	8,516

p = preliminary
r = revised
*Insured savings associations.
NOTE: Data represent net changes in asset classifications shown. Savings and loan data for U.S. government securities include all investment securities other than liquid assets. Beginning in 1982, data reflects regulatory change adopted in July 1982, which provided that certain balances earlier reported as liability items be reported as contra-asset items (deductions from asset accounts). Cash and investment securities include cash and due, federal funds, U.S. government and federal agency securities. Detail may not add due to rounding.
SOURCE: FHLBB and National Council of Savings Institutions.

Table 4

Gross Flow of Funds through Savings Banks, 1982–1986

(in millions of dollars)

Item	1982	1983	1984	1985	1986
INFLOW:					
Amounts Deposited	167,874	196,582	212,521	237,271	257,334
Interest on Deposits	14,799	14,177	15,367	14,920	13,475
Mortgage Repayments	12,770	12,183	12,320	15,079	28,750
Retained Earnings	−1,263	275	1,521	1,259	2,241
U.S. Government Securities	−152	−5,634	−1,429	−3,873	−18,861
TOTAL INFLOW	194,028	217,583	240,300	264,656	282,939
OUTFLOW:					
Withdrawals	178,311	195,363	218,045	246,147	263,898
Mortgage Loans Acquired	7,320	14,130	17,932	18,930	33,004
Net Security Investments	−667	3,466	−822	2,266	−1,848
State and municipal	−111	−276	−94	−249	138
Corporate and other	−556	3,742	−728	2,515	−1,710
All Other Uses	9,064	4,624	5,145	−2,687	−12,115
TOTAL OUTFLOW	194,028	217,583	240,300	264,656	282,939

NOTE: Amounts deposited and withdrawn exclude school, club and other special-purpose accounts. Federal agency obligations are included in U.S. government securities rather than corporate and other securities.

SOURCE: National Council of Savings Institutions.

Table 5

Selected Asset and Liability Gross Flows through Savings and Loans, 1984–1986

(in millions of dollars)

Item	1984	1985	1986
Net Increase in Deposits	111,174	52,123	49,651
Net new deposits received	56,871	−4,259	−3,649
Interest/dividends credited	54,303	56,382	53,300
Net Increase in Borrowing	38,993	20,910	39,601
Net increase in FHLB advances	15,033	13,233	16,509
Net increase in other borrowing	23,960	7,677	23,092
Net Increase in Other Liabilities	2,019	2,683	3,655
Net Increase in Regulatory Net Worth	4,595	7,881	6,251
SOURCES, TOTAL	156,781	83,596	99,157
Net Increase in Mortgage Loans	77,422	45,918	15,894
Loans closed	181,302	196,732	265,496
Net purchases	341	−35,715	−100,128
Net repayments	104,221	115,090	149,474
Net Increase in Mortgage-backed Pass-through Securities	16,294	2,658	40,229
Net Increase in Nonmortgage Loans	16,186	17,800	10,143
Net increase in loans on deposits	283	494	−128
Net increase in other consumer loans	7,864	13,782	6,883
Net increase in commercial loans	8,039	3,525	3,388
Net Increase in Cash and Investment Securities	24,732	7,226	24,841
Net Increase in Other Assets	22,142	9,994	8,051
USES, TOTAL	156,776	83,596	99,157

NOTE: Detail may not add due to rounding.

SOURCE: FHLBB.

Chart 3
Ratio of General Reserve Accounts to Assets of Savings Institutions, 1977-1986

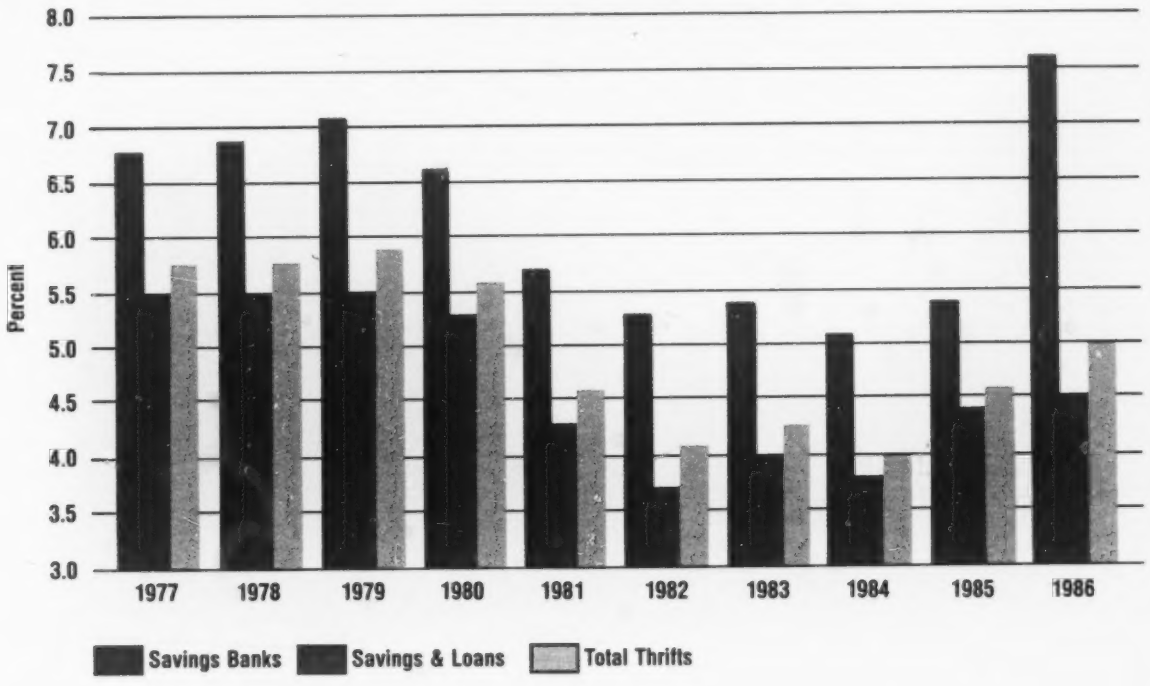


Table 6
Ratio of General Reserve Accounts to Assets of Savings Institutions, 1977–1986
(in percent)

Year	Savings Banks	Savings & Loans	Total
1977r	6.8	5.5	5.8
1978r	6.9	5.5	5.8
1979r	7.1	5.5	5.9
1980r	6.6	5.3	5.6
1981r	5.7	4.3	4.6
1982r	5.3	3.7	4.1
1983r	5.4	4.0	4.3
1984r	5.1	3.8	4.0
1985r	5.9	4.4	4.6
1986	7.6	4.5	5.1

r = revised
NOTE: Savings bank data for 1977–1978 include valuation reserves against specific assets.
SOURCE: FHLBB and National Council of Savings Institutions.

Table 7

Savings Institution Membership in Federal Home Loan Bank System, Selected Year-End Dates, 1945–1986

Year	Traditional Savings Bank Members of FHLBB	Federal Savings Banks*	Savings and Loan Members of FHLBB	Percent of Total Thrifts
1945	25	25	3,658	56.2
1950	25	29	3,894	61.3
1960	19	19	4,694	69.4
1970	46	46	4,601	76.2
1980	140	137	4,099	86.2
1981	144	138	3,872	87.6
1982	131	125	3,422	77.6
1983	143	288	3,117	90.7
1984	132	253	3,011	95.7
1985	134	331	3,022	96.4
1986	157	430	2,896	97.1

*Formerly savings and loans.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 8

Characteristics of Depository Institutions, 1982-1986

Year	Total Savings Banks	Insured by			Charter		Ownership	
		FDIC	FSLIC	Other	State	Federal	Mutual	Stock
1982	424	315	6	155*	418	6	422	2
1983	399	294	8	146*	373	26	377	22
1984	383	242	11	130	346	37	357	26
1985	370	355	13	2	336	34	326	44
1986	366	355	11	—	335	31	254	112

Year	Total Savings & Loan Assns	Insured by		Charter		Ownership‡	
		FSLIC	Other†	State	Federal	Mutual	Stock
1982	3,825	3,343	482	1,616	1,727	2,588	754
1983	3,513	3,040	473	1,487	1,696	2,302	738
1984	3,391	3,136	453	1,447	1,689	2,202	934
1985	3,573	3,246	327	1,525	1,721	2,159	1,087
1986	3,497	3,247	250	1,493	1,754	2,039	1,208

*Some savings banks carried both FDIC and Massachusetts state insurance fund.

†Other insurance = state insurance funds.

‡Reflects only FSLIC-insured institutions.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 9

Financial Savings by Households, 1985–1986

(in billions of dollars)

Item	1985r	1986	Year-end Holdings 1986
Total Deposits	182.8	227.6	2,881.1
Checkable deposits and currency	45.0	97.5	523.7
Money market fund shares	−2.2	20.8	228.3
Savings accounts	140.0	109.3	2,129.1
Savings banks	−1.2	8.6	178.4
Commercial banks	107.4	56.5	1,007.2
Savings and loan associations	20.5	36.4	820.7
Credit unions	13.3	7.8	122.8
Life Insurance Reserves	10.7	10.5	267.2
Pension Fund Reserves	139.7	136.4	1,967.4
Credit Market Instruments	185.0	34.7	1,158.5
U.S. government securities	60.7	7.1	597.4
Tax exempt obligations	59.4	14.9	260.7
Corporate and foreign bonds	13.2	12.3	71.7
Mortgages	4.0	3.7	150.3
Open market paper	47.8	−3.1	78.5
Corporate Equities	−.8	76.3	2,350.4
Mutual fund shares	103.4	191.7	487.6
Other corporate reserves	−104.2	−115.4	1,862.8
Other Financial Assets*	−27.2	−51.0	2,579.5
Net Acquisition of Financial Assets	490.1	434.6	11,203.9
Less: Net increase in liabilities	312.7	292.0	2,741.0
Net Financial Savings	177.4	142.6	8,462.9

r = revised

*Includes security credit, miscellaneous assets and net investment noncorporate business (inflows only).

SOURCE: Federal Reserve Board

II. Deposit Activity

Deposit flows over all of 1986 and early 1987 were weak, as credited interest was needed to offset net deposit withdrawals. This situation continues a trend established over the last three years. For the most part, the weakness, however, represents the active use of alternative and less costly sources of funds rather than the inability of these institutions to obtain and hold deposits.

Table 10

Deposit Activity in Regular Accounts in Savings Institutions, Monthly, 1982–1987

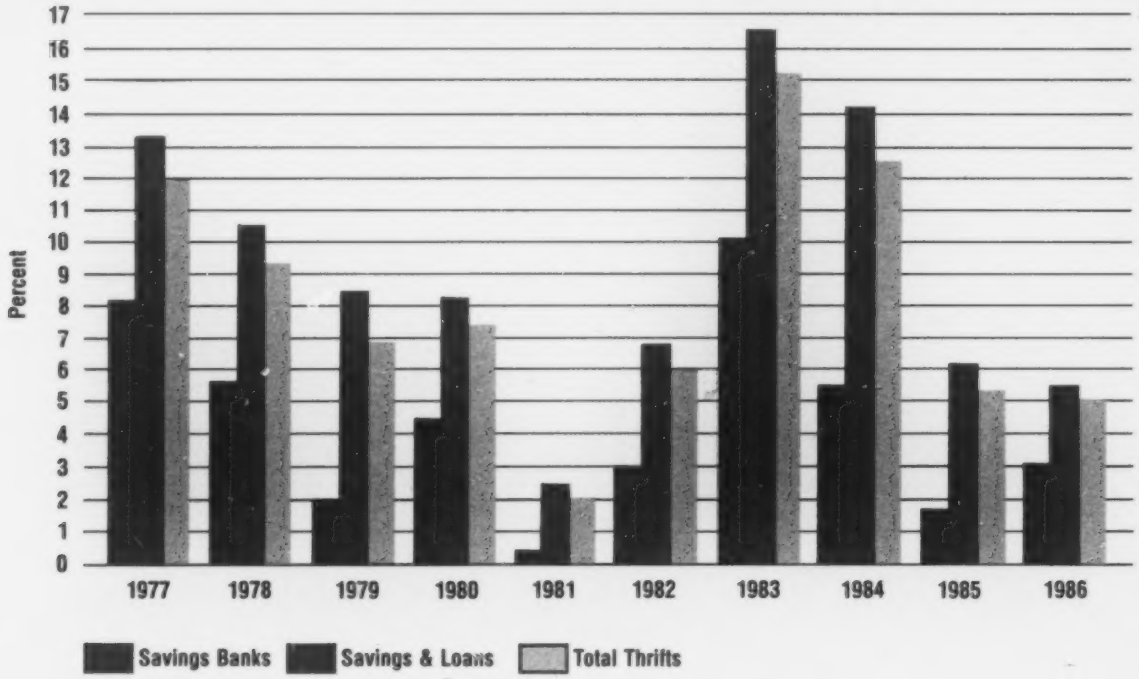
(in millions of dollars)

Year	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Savings Banks							
						Net New Money							
1982	−1,062	−264	−868	−1,800	−654	−1,214	−1,066	−809	−881	−1,825	−1,445	1,451	−10,438
1983	1,160	1,207	245	−778	163	56	−202	−404	−636	46	272	229	1,358
1984	−38	−123	−447	−1,262	−672	−1,084	−1,055	207	−519	−398	301	−556	−5,646
1985	−857	−218	−606	−1,605	286	−247	−360	−424	−1,424	−1,353	−617	−1,157	−8,582
1986r	−668	−448	−197	−1,094	95	−863	−620	−256	−970	−1,106	−473	−72	−6,672
1987p	−851	57	−330	−1,406	349	−767							
						Interest							
1982	861	843	1,993	823	886	2,080	868	932	1,880	846	850	2,007	14,869
1983	861	832	1,751	836	917	1,677	868	952	1,624	948	1,037	3,076	15,379
1984	946	948	1,654	966	998	1,759	983	1,022	1,739	1,216	1,051	1,819	15,101
1985	1,055	995	1,618	1,044	1,028	1,689	993	986	1,545	1,059	982	1,523	14,517
1986r	924	937	1,523	984	932	1,443	924	839	1,325	973	982	1,560	13,346
1987p	823	793	1,317	780	839	1,331							
						Savings and Loans							
						Net New Money							
1982	−138	761	−1,284	−4,588	−302	−3,262	−938	−1,718	−1,801	−2,947	−637	10,429	−6,425
1983	14,516	8,849	5,593	4,568	5,005	1,332	4,401	4,780	5,225	3,430	1,806	3,719	63,224
1984	6,998	4,495	6,177	2,360	7,508	4,598	4,501	3,005	1,337	5,973	5,955	3,964	56,871
1985r	3,605	−1,583	326	−3,300	4,905	−2,222	−1,438	1,886	−4,919	−1,155	1,396	−1,759	−4,258
1986r	470	1,811	3,262	−3,650	3,050	−3,295	2,946	1,464	−5,479	−28	−2,697	−1,028	−3,174
1987p	−2,026	−1,099	−4,856	−6,026	1,398	−3,012							
						Interest							
1982	2,096	1,909	6,512	1,986	1,891	6,697	2,106	2,090	6,746	2,552	1,979	7,129	43,693
1983	2,138	2,061	6,614	2,198	2,154	6,870	2,680	2,362	7,064	2,524	2,379	7,946	46,990
1984	2,467	2,626	7,505	2,656	2,734	7,744	2,858	2,949	7,923	3,017	2,995	8,829	54,303
1985r	3,160	2,902	7,932	3,013	2,909	8,088	2,916	2,992	8,247	2,889	2,924	8,409	56,381
1986r	2,639	2,702	7,881	2,812	2,701	8,141	2,671	2,737	7,762	2,602	2,625	7,876	53,149
1987p	2,485	2,352	6,866	2,452	2,430	6,914							

p = preliminary
r = revised
NOTE: Detail may not add due to rounding.
SOURCE: FHLBB and National Council of Savings Institutions.

Chart 4

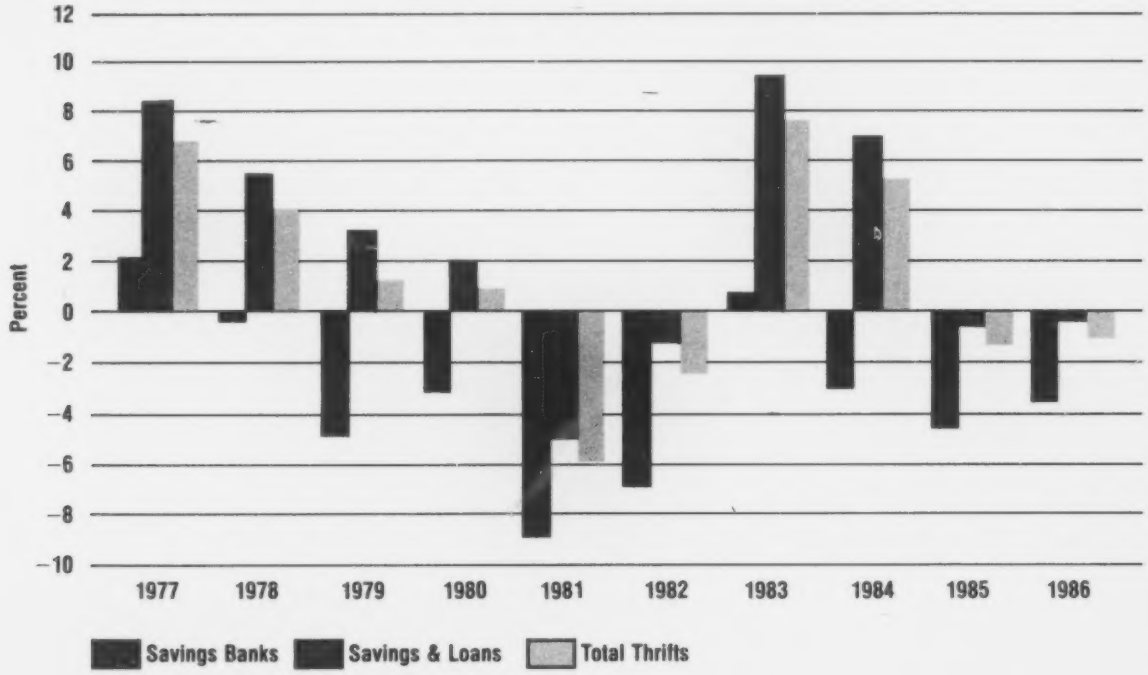
Percentage Increase in Total Deposits, Including Interest, in Savings Institutions, 1977-1986



SOURCE: FHLBB, FDIC and National Council of Savings Institutions.

Chart 5

Percentage Change in Regular Deposits, Excluding Interest, in Savings Institutions, 1977-1986



SOURCE: FHLBB, FDIC and National Council of Savings Institutions.

Chart 6
Savings and Time Accounts in Financial Institutions, 1986

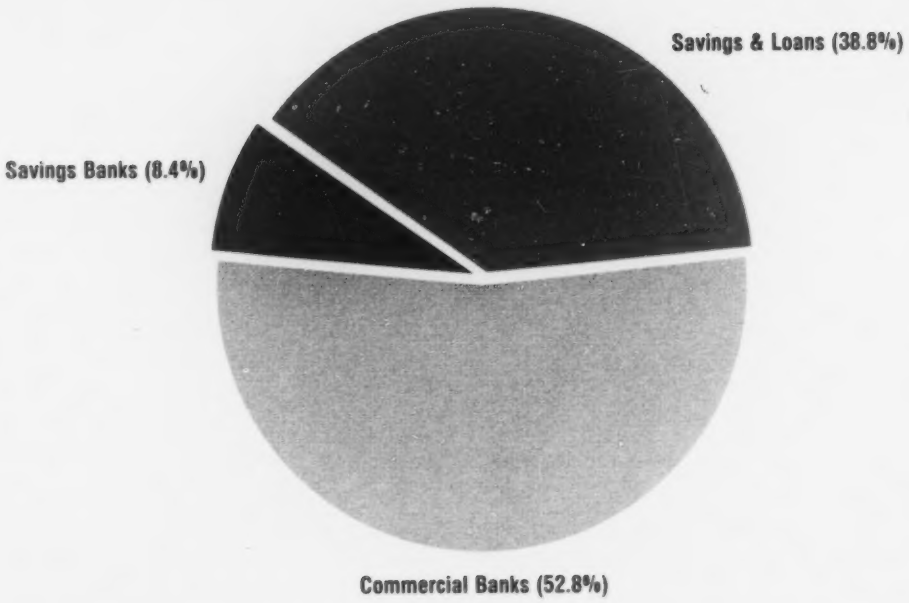


Table 11
Total Deposits Including Interest in Savings Institutions, Year-End, 1977-1986
(in millions of dollars)

	Savings Banks		Savings & Loans		Total Thrifts	
Year	Outstanding	Net Gain	Outstanding	Net Gain	Outstanding	Net Gain
1977	134,017	11,043	377,302	50,192	511,319	61,235
1978	142,701	7,943	420,383	44,175	563,084	52,118
1979	146,006	3,050	459,501	38,897	605,507	41,947
1980	153,501	6,995	498,700	40,956	652,201	47,951
1981	155,110	765	512,271	13,411	667,381	14,176
1982	155,196	4,807	549,957	37,270	705,153	42,077
1983	172,665	17,469	667,430	110,214	840,095	127,683
1984	182,789	10,124	784,468	111,174	967,257	121,298
1985r	185,972	3,183	843,932	52,129	1,029,904	55,312
1986	192,204	6,232	890,274	49,315	1,082,478	55,547

r = revised

SOURCE: FHLBB and National Council of Savings Institutions

Table 12

Average Annual Yield on Selected Investments, 1977–1986

(in percent)

Year	Savings Deposits in FSLIC-insured Savings Institutions	Savings Deposits in FDIC-insured Savings Banks	Time and Savings Deposits in Commercial Banks	United States Government Bonds	State and Local Bonds	Corporate Aaa Bonds
1977	6.39	6.07	5.50	7.42	5.56	8.02
1978	6.56	6.22	6.02	8.41	5.90	8.73
1979	7.29	6.91	7.48	9.44	6.39	9.63
1980	8.78	8.03	9.08	11.46	8.51	11.94
1981	10.71	9.66	11.31	13.91	11.23	14.17
1982	11.19	9.68	10.46	13.00	11.57	13.79
1983	9.71	8.50	8.43	11.10	9.47	12.04
1984	9.93	8.65	8.90	12.44	10.15	12.71
1985r	9.03	8.11	7.90	10.62	9.18	11.37
1986p	7.85	7.46	6.74	7.68	7.38	9.02

p = preliminary
r = revised

SOURCE: FDIC, FHLBB, Federal Reserve Board, Moody's Investors Service, Standard & Poor's Corporation and U.S. League of Savings Institutions.

Table 13

Savings and Time Accounts in Selected Types of Financial Institutions, 1982–1986

Year	Amounts (in millions of dollars)			Time as Percent of Total
	Total	Savings	Time	
		Savings Banks		
1982	152,777	56,408	96,369	63.1
1983	170,135	75,006	95,129	55.9
1984	179,526	73,189	106,337	59.2
1985	181,921	78,610	103,311	56.8
1986	186,354	85,549	100,805	54.1
		Savings and Loans		
1982	549,281	123,627	425,654	77.5
1983	665,607	201,243	464,364	69.8
1984	784,468	199,897	584,571	74.5
1985r	843,932	229,818	614,114	72.8
1986	890,274	269,967	620,307	69.7
		Commercial Banks		
1982	690,593	303,370	387,223	56.1
1983	846,288	462,625	383,663	45.3
1984	930,913	503,609	427,304	45.9
1985r	1,031,429	589,149	442,280	42.9
1986	1,148,113	712,209	435,904	38.0

r = revised

NOTE: Commercial bank data refer to time deposits in denominations of less than $100,000 and savings deposits at insured institutions. Data for savings and loan associations refer to FSLIC-insured institutions.

SOURCE: FHLBB, FDIC and National Council of Savings Institutions.

III. Mortgages and Housing

The housing market expanded at a 1.8 million unit pace in 1986, the best year since 1978. The improvement continued into early 1987 before a surge in mortgage rates slowed single-family starts, and changes to the tax law and high vacancy rates took their toli in the multifamily area. The high number of starts, together with a substantial number of refinancings, encouraged thrift institutions to originate over $260 billion in long-term mortgage financings and another $40 billion in shorter-term construction loans. While 1987 should see somewhat less activity owing to the higher interest rates, it should nevertheless be a good year for housing finance.

Table 14

Mortgage Debt Outstanding, by Type of Holder, Year-End Dates, 1977–1986

(in millions of dollars)

End of Year	Total	Savings Banks	Commercial Banks	Savings & Loans	Life Insurance Companies	Federally Sponsored Credit Agencies	Real Estate Investment Trusts	Pension Funds	All Other Holders
1977	1,022,563	88,105	178,979	381,163	96,765	130,070	6,984	10,538	129,959
1978	1,173,590	95,157	214,045	432,808	106,167	160,632	5,847	11,374	147,560
1979	1,337,748	98,908	245,187	475,688	118,784	205,067	4,873	12,696	176,545
1980	1,471,786	99,865	263,030	503,192	131,081	242,784	4,154	14,575	213,105
1981	1,583,264	99,997	284,536	518,547	137,747	276,095	3,054	16,443	246,845
1982	1,655,761	95,116	301,272	483,614	141,919	347,778	2,600	17,939	265,523
1983	1,811,540	131,940*	330,521	494,789	150,999	426,366	2,680	18,879	255,366
1984	2,022,769	154,441*	374,780	555,277	156,699	484,958	3,508	19,801	273,305
1985r	2,266,923	177,263*	429,196	583,236	171,797	581,970	5,927	20,096	297,438
1986	2,566,386	226,409*	502,534	553,080	192,975	733,563	5,929	20,412	331,484

r = revised

*Federal FSLIC-converted banks included.

NOTE: Data for federally sponsored credit agencies include mortgage-backed securities. Figures for pension funds refer to holdings of private pension funds and state and local retirement funds.

SOURCE: Federal Reserve Board.

Table 15

Private Housing Starts, by Number of Family Units, 1977–1986

Year	Single-Family	Multi-Family	Total
1977	1,450,900	536,100	1,987,000
1978	1,433,300	587,000	2,020,300
1979	1,194,100	551,000	1,745,100
1980	852,200	440,000	1,292,200
1981	705,400	378,800	1,084,200
1982	662,600	399,600	1,062,200
1983	1,067,600	635,500	1,703,100
1984	1,084,200	665,400	1,749,600
1985	1,072,400	669,300	1,741,800
1986	1,179,400	626,000	1,805,400

NOTE: Totals may not add due to rounding.

SOURCE: Bureau of the Census and National Council of Savings Institutions.

Table 16

Mortgage Loans Held by Savings Institutions, by Type of Property and Loan, Year-End Dates, 1977–1986

(in millions of dollars)

Year	Total	Residential						Nonresidential	Memoranda: Mortgage-backed Securities
		Total	Type of Property		Type of Loan				
			1- to 4-Family	Multi-Family	FHA	VA	Conventional		
					Savings Banks				
1977	88,105	73,030	58,008	15,022	14,187	11,933	46,910	15,075	8,331
1978	95,157	79,189	63,260	15,929	14,203	11,824	53,162	15,968	10,021
1979	98,908	82,697	66,140	16,557	13,816	11,390	57,491	16,211	11,820
1980	99,865	83,547	67,489	16,058	13,308	10,855	59,384	16,318	13,849
1981	99,997	84,147	68,187	15,960	12,752	10,478	60,917	15,850	13,911
1982	95,116	80,456	66,705	13,751	11,736	9,637	59,083	14,660	14,055
1983	97,063	82,754	69,070	13,684	10,716	8,830	63,208	14,309	18,205
1984	102,675	87,384	73,642	13,742	9,488	7,854	70,042	15,291	19,517
1985	105,463	90,321	76,258	14,063	8,309	6,882	75,130	15,143	19,481
1986	108,569	91,564	77,801	13,763	6,975	5,792	78,797	17,006	25,835
					Savings and Loans				
1977	358,456	330,058	300,205	29,853	13,764	16,238	300,056	28,398	14,500
1978	406,638	376,186	343,477	32,709	13,159	15,799	347,228	30,452	19,800
1979	448,775	416,860	382,537	34,323	12,965	15,559	388,336	31,915	26,500
1980	476,772	444,041	409,714	34,327	12,802	15,034	416,205	32,731	31,400
1981	493,573	460,195	424,852	35,343	12,135	14,584	433,476	33,378	37,100
1982	462,465	425,970	389,410	36,560	12,105	14,037	399,828	36,495	61,836
1983	459,708	417,657	376,623	41,034	12,822	15,462	389,373	42,051	90,902
1984	556,365	494,771	443,620	51,151	12,253	15,026	467,492	61,594	108,219
1985	594,456	521,140	458,971	62,169	11,135	13,661	496,344	73,316	110,710
1986	605,689	526,699	458,212	68,487	8,848	11,126	506,725	78,990	157,742

NOTE: Excludes land loans and loans for construction. Detail may not add due to rounding.

SOURCE: U.S. Department of Housing and Urban Development, FHLBB and National Council of Savings Institutions.

Table 17

Net Flow of Mortgage Funds from Savings Institutions, by Type of Property and Loan, 1977–1986

(in millions of dollars)

Year	Total	Residential						Nonresidential	Memoranda: Mortgage-backed Securities
		Total	Type of Property		Type of Loan				
			1- to 4-Family	Multi-Family	FHA	VA	Conventional		
					Savings Banks				
1977	6,466	5,764	4,919	845	−409	−384	6,557	702	2,515
1978	7,052	6,159	5,252	907	16	−109	6,252	893	1,630
1979	3,751	3,508	2,880	628	−387	−434	4,329	243	1,799
1980	957	850	1,349	−499	−508	−535	1,893	107	2,014
1981	132	600	698	−98	−556	−377	1,533	−468	−113
1982	−4,881	−3,691	−1,482	−2,209	−1,016	−841	−1,834	−1,190	144
1983	1,947	2,298	2,365	−67	−1,020	−807	4,125	−351	4,150
1984	5,612	4,630	4,572	58	−1,228	−976	6,834	982	1,312
1985r	2,788	2,937	2,616	321	−1,179	−972	5,088	−148	−36
1986	3,106	1,243	1,544	−300	−1,334	−1,090	3,667	1,863	6,354
					Savings and Loans				
1977	52,549	49,969	46,725	3,244	−721	−364	51,054	2,580	5,800
1978	48,182	46,128	43,272	2,856	−605	−439	47,172	2,054	5,300
1979	42,137	40,674	39,060	1,614	−194	−240	41,108	1,463	6,700
1980	27,997	27,181	27,177	4	−163	−525	27,869	816	4,900
1981	16,554	16,328	14,838	1,490	−787	−878	17,993	226	5,700
1982	−31,108	−34,225	−35,442	1,217	−30	−547	−33,648	3,117	24,736
1983	−2,757	−8,313	−12,787	4,474	717	1,425	−10,455	5,556	29,066
1984	96,657	77,114	66,997	10,117	−569	−436	78,119	19,543	17,317
1985	38,091	26,369	15,351	11,018	−1,118	−1,365	28,852	11,722	2,491
1986	11,233	5,559	−759	6,318	−2,287	−2,535	10,381	5,674	47,032

r = revised

NOTE: Excludes land loans and construction loans. Nonresidential loans include farm loans. Data for the first quarter of 1984 for federal savings banks (formerly savings and loan associations) were not included in the data for this table. Detail may not add due to rounding.

SOURCE: U.S. Department of Housing and Urban Development, FHLBB and National Council of Savings Institutions.

Table 18

Gross Flow of Mortgage Funds through Savings Institutions, by Type of Loan, 1977–1986

(in millions of dollars)

Year	New Loans Acquired				Repayments				Net Gain				Memoranda: Repayments as Percent of Loans Outstanding
	Total	1- to 4-Family	Multi-Family	Nonresi-dential	Total	1- to 4-Family	Multi-Family	Nonresi-dential	Total	1- to 4-Family	Multi-Family	Nonresi-dential	
						Savings Banks							
1977	14,984	11,387	1,783	1,814	8,651	6,485	995	1,170	6,334	4,902	788	644	10.8
1978	15,182	11,883	1,452	1,847	9,375	6,947	1,081	1,347	5,807	4,936	371	500	10.8
1979	13,468	11,075	1,009	1,384	8,380	6,170	1,002	1,206	5,089	4,905	7	177	9.1
1980	7,420	5,676	629	1,115	6,712	4,772	899	1,041	708	904	−270	74	6.9
1981	5,157	3,822	596	739	6,322	4,129	1,059	1,135	−1,165	−307	−463	−396	6.4
1982	4,737	3,248	549	940	6,766	4,428	1,046	1,292	−2,029	−1,180	−497	−351	7.0
1983	14,130	10,570	1,832	1,728	12,183	8,205	1,899	2,079	1,947	2,365	−67	−351	12.8
1984	17,932	13,116	1,823	2,993	12,319	8,543	1,765	2,010	5,613	4,572	58	983	12.7
1985	18,930	13,698	2,149	3,082	15,079	11,085	1,822	2,172	3,851	2,613	327	910	14.7
1986	33,004	24,717	3,224	5,064	28,750	22,068	3,087	3,595	4,254	2,649	136	1,469	27.3
						Savings and Loans							
1977	99,716	86,504	6,892	6,320	47,167	39,779	3,648	3,740	52,549	46,725	3,244	2,580	15.4
1978	97,016	85,236	6,210	5,570	48,834	41,964	3,354	3,516	48,182	43,272	2,856	2,054	13.6
1979	85,905	76,325	4,942	4,638	43,767	37,265	3,328	3,174	42,138	39,060	1,614	1,464	10.8
1980	65,510	58,012	3,022	4,476	37,513	30,835	3,018	3,660	27,997	27,177	4	816	8.4
1981	45,637	39,615	2,372	3,650	29,083	24,777	882	3,424	16,554	14,838	1,490	226	6.1
1982	12,777	4,163	2,018	6,596	36,722	32,438	947	3,337	−23,945	−28,275	1,071	3,259	7.4
1983	94,699	64,270	10,844	19,585	63,025	45,203	6,020	11,802	31,674	19,067	4,824	7,783	13.6
1984	130,079	86,678	14,933	28,468	70,072	50,399	8,347	11,326	60,007	36,279	6,586	17,142	15.2
1985	107,400	64,371	16,115	26,914	70,189	40,196	7,284	22,709	37,211	24,175	8,831	4,205	12.6
1986	124,976	81,205	19,018	24,753	114,263	81,967	12,700	19,596	10,713	−762	6,318	5,157	19.2

NOTE: Excludes land loans and construction loans. Nonresidential loans include farm loans. Data for the first quarter of 1984 for federal savings banks (formerly savings and loan associations) were not included in the data for this table. Detail may not add due to rounding.

SOURCE: U.S. Department of Housing and Urban Development.

Chart 7

Gross and Net Flows of Mortgage Funds through Savings Institutions, 1977-1986

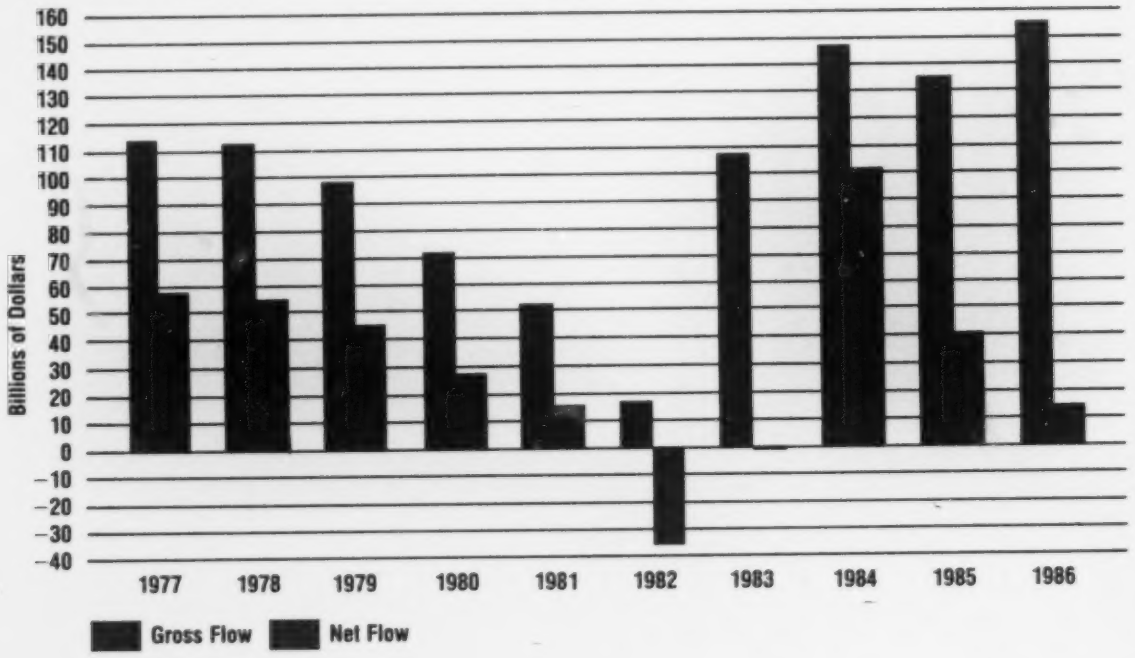


Table 19

Percentage Distribution of Mortgage Holdings by Depository Institution, by Type of Loan and Property, December 31, 1986

	Savings Banks	Commercial Banks	Savings & Loans	Life Insurance Companies
By Type of Loan				
FHA	6.1	1.3	1.3	1.4
VA	5.0	0.6	1.7	0.6
Conventional and other	83.7	74.6	87.8	97.0
Construction	5.2	23.5	9.2	1.0
TOTAL	100.0	100.0	100.0	100.0
By Type of Property				
Residential	79.9	48.0	79.0	17.3
1- to 4-family	67.9	45.3	68.7	6.6
Multifamily	12.0	2.7	10.3	10.7
Nonresidential	14.9	25.9	11.7	76.0
Farm	*	2.6	0.1	5.8
Construction	5.2	23.5	9.2	0.9
TOTAL	100.0	100.0	100.0	100.0

* Less than 0.05%.

NOTE: Construction includes land loans.

SOURCE: U.S. Department of Housing and Urban Development.

Table 20

Home Mortgage Delinquency and Foreclosure Rates of Savings Banks, by Type of Loan, 1977–1987

(in percent)

Year	Delinquency Rates					Foreclosure Rates				
	Total	FHA	VA	Conventional	ARM	Total	FHA	VA	Conventional	ARM
1977	.71	.89	.64	.65		.05	.08	.05	.03	
1978	.71	.95	.68	.60		.04	.07	.04	.03	
1979	.69	.94	.70	.55		.04	.07	.04	.02	
1980	.69	.99	.70	.54		.03	.06	.04	.02	
1981	.70	1.00	.72	.57		.04	.06	.04	.02	
1982	.69	.94	.70	.58		.04	.06	.03	.02	
1983	.73	.94	.74	.64		.03	.06	.02	.02	
1984	.83	1.04	.82	.77	.50	.02	.04	.02	.02	.02
1985	.77	1.02	.87	.69	.64	.02	.04	.03	.02	.02
1986r	.75	1.08	.91	.61	.70	.03	.04	.02	.01	.02
1987 1Q	.78	1.09	.96	.58	.77	.02	.03	.03	.01	.03

r = revised

NOTE: Data for 1977-1986 are annual averages. Data refer to the percentage of the number of one-to-four family mortgage loans delinquent or foreclosed to the total number of one-to-four family loans held by savings banks in the indicated categories. Delinquent loans are defined as loans held which are (1) three or more payments overdue on a monthly program; or (2) in the process of foreclosure. Foreclosure data refer to loans which have been foreclosed (foreclosure completed) based on reports representing over four-fifths of the total number of home mortgage loans held by savings banks. Data on adjustable rates not available prior to September 1984.

SOURCE: National Council of Savings Institutions.

Table 21

Long-Term Interest Rates, 1977–1986

(in percent)

Year	Conventional Loans on New Homes, Effective Interest Rate	New Aaa Utility Issues Yield	Corporate Aaa Bond Yield	Spread between Conventional Loan Rate and:	
				Utilities Yield	Corporate Bond Yield
1977	9.02	8.19	8.02	0.83	1.00
1978	9.56	8.96	8.73	0.60	0.83
1979	10.78	10.03	9.63	0.75	1.15
1980	12.66	12.74	11.94	−0.08	0.72
1981	14.70	15.56	14.17	−0.86	0.53
1982	15.14	14.41	13.79	0.73	1.35
1983	12.57	12.06	12.04	0.60	0.53
1984	12.38	N/A	12.71	N/A	−0.33
1985r	11.55	N/A	11.37	N/A	0.18
1986	10.17	N/A	9.02	N/A	1.15

N/A = not available

r = revised

SOURCE: FHLBB, Federal Reserve Board, Moody's Investors Service and U.S. League of Savings Institutions.

Table 22

Effective Interest Rates on Conventional Home Mortgage Loans Closed, 1984–1987

(in percent)

Year/Month	All Major Lenders		Savings and Loans		Savings Banks	
	Fixed Rate Loans	Adjustable Rate Loans	All Home Loans	Percent with Adjustable Rate	All Home Loans	Percent with Adjustable Rate
1984 January	12.82	11.80	12.23	64	12.07	70
February	12.85	11.74	12.22	63	11.83	66
March	12.82	11.75	12.16	66	12.06	68
April	12.91	11.52	12.06	66	11.88	65
May	12.96	11.65	12.08	69	12.38	56
June	13.09	11.80	12.22	68	12.00	75
July	13.46	12.03	12.45	73	12.75	58
August	13.47	12.32	12.64	75	12.75	68
September	13.47	12.49	12.83	70	13.02	73
October	13.67	12.57	12.86	70	13.42	63
November	13.41	12.53	12.86	68	13.30	64
December	13.16	12.29	12.74	60	13.11	55
1985 January	13.10	12.05	12.56	60	13.03	61
February	12.93	11.69	12.27	55	12.70	55
March	12.87	11.37	12.16	53	12.30	56
April	12.90	11.29	12.12	52	12.42	59
May	12.94	11.30	12.06	55	12.26	57
June	12.63	11.10	11.76	59	12.01	62
July	12.23	10.76	11.53	57	11.50	66
August	12.14	10.56	11.37	51	11.74	59
September	12.02	10.32	11.28	50	11.35	60
October	12.12	10.41	11.25	52	11.45	57
November	11.99	10.36	11.23	53	11.27	60
December	11.88	10.22	11.09	54	11.03	63
1986 January	11.41	10.17	10.85	53	10.50	83
February	11.24	10.14	10.70	49	10.74	60
March	10.87	9.97	10.56	37	10.55	48
April	10.56	9.87	10.30	35	10.64	35
May	10.33	9.76	10.19	30	10.27	57
June	10.38	9.48	10.20	26	10.01	39
July	10.51	9.47	10.27	27	10.26	37
August	10.58	9.40	10.20	34	10.22	35
September	10.47	9.25	10.04	40	10.19	34
October	10.39	9.07	9.89	42	10.01	39
November	10.28	8.87	9.74	42	9.78	44
December	10.13	8.81	9.57	46	9.57	51
1987 January	9.81	8.83	9.50	42	9.11	68
February	9.50	8.54	9.12	46	8.97	65
March	9.35	8.36	9.08	38	8.81	64
April	9.32	8.36	9.02	35	8.75	61
May	9.61	8.43	9.11	37	8.76	65
June[p]	9.99	8.42	9.23	46	9.09	58

p = preliminary
r = revised

SOURCE: FHLBB

IV. Income and Investment

In 1986, savings banks set a new record for earnings, taking in over $2.2 billion or 99 basis points on average assets. Most savings and loan associations did equally as well; however, a minority of institutions—about 20 percent of the total—managed to lose more than the profitable institutions earned, leading to a loss for the industry as a whole. The rise in mortgage rates in early 1987 was not matched by increases in the institutions' cost of funds and allowed for a somewhat greater spread. This widening in the primary spread should help to generate more profits and offset the decline in mortgage volume stemming from the slowdown in the housing market.

Table 23

Income and Expenses of Savings Institutions, 1977–1986

(in millions of dollars)

Year	Total Operating Income	Total Operating Expenses	Net Operating Income after Expenses	Interest	Net Operating Income after Expenses and Interest	Net Realized Losses on Asset Transactions	Taxes	Retained Earnings
				Savings Banks				
1977	10,493.5	1,633.4	8,860.1	7,756.7	1,103.4	11.7	313.0	778.8
1978	11,842.2	1,998.3	9,843.9	8,524.4	1,319.5	69.0	356.7	893.8
1979	13,316.1	2,374.1	10,942.0	9,875.9	1,066.1	33.1	292.1	740.9
1980	14,713.4	2,955.0	11,758.4	11,881.2	−122.9	30.1	52.8	−205.7
1981	16,440.1	3,423.6	13,016.5	14,680.0	−1,663.5	90.0*	−135.8	−1,437.7
1982	16,976.4	3,669.2	13,307.2	14,799.3	−1,492.1	210.6*	−18.9	−1,262.6
1983	17,794.3	3,521.6	14,272.7	14,117.0	155.6	164.1*	44.9	274.9
1984	19,763.6	4,291.8	15,471.8	15,367.2	104.6	92.8*	195.9	1.5
1985	21,679.6	5,165.9	16,513.7	14,920.5	1,593.2	165.6*	499.9	1,258.9
1986	21,886.5	5,784.5	16,102.0	13,475.0	2,627.0	640.2*	1,025.9	2,241.3
				Savings and Loans†				
1977	33,890.5	5,327.6	28,562.9	24,052.7	4,510.2	99.9*	1,411.9	3,198.1
1978	40,589.1	6,177.4	34,411.7	28,690.8	5,720.9	4.3	1,798.5	3,918.1
1979	48,606.5	7,088.3	41,518.2	36,449.8	5,068.4	129.2*	1,577.7	3,619.9
1980	56,134.8	7,920.0	48,214.8	47,423.2	791.6	399.5*	407.1	783.9
1981	65,151.8	8,975.6	56,176.2	63,280.9	−7,104.7	956.7*	−1,515.9	−4,632.1
1982	71,508.6	10,103.5	61,405.1	70,253.2	−8,848.1	2,979.7*	−1,597.9	−4,270.8
1983	79,983.4	12,297.7	67,685.7	67,654.4	31.3	2,529.7*	593.3	1,967.5
1984	100,610.2	15,326.4	85,283.8	84,405.5	878.3	848.2*	770.4	956.1
1985r	110,485.9	19,543.1	90,942.8	87,545.4	3,397.4	1,336.2*	2,087.3	2,646.3
1986p	110,767.9	22,937.2	87,830.7	83,304.6	4,526.1	1,735.9	3,146.4	−356.2

p = preliminary
r = revised
* Net realized gain
† FSLIC-insured institutions

NOTE: Savings bank data for 1977–1978 are on a somewhat different basis from other years. The differences are small except for net realized losses on asset transactions. Savings and loan interest figures are total cost of funds. For savings and loans, prior period adjustments are included with net realized losses. Detail may not add due to rounding.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 24

Income and Expenses of Savings Institutions, December 31, 1986 (in millions of dollars)

Item	Savings Banks	Savings & Loans	Total Thrifts
Total Operating Income	21,886	110,768	132,654
Interest and dividends on securities	3,220	10,956	14,176
U.S. government and agency obligations	2,779	—	—
Other securities	441	—	—
Net interest and discount on loans	16,575	87,580	104,155
Mortgage loans	12,061	66,952	79,013
Mortgage-backed securities	1,809	13,071	14,880
Other loans	2,705	7,557	10,262
Other operating income	2,091	12,232	14,323
Operating Expenses	5,784	22,937	28,721
Net Operating Income after Expenses	16,102	87,831	103,933
Interest Paid Depositors	13,475	83,305	96,780
Net Operating Income after Expenses and Interest	2,627	4,526	7,153
Net Realized Gains or Losses	640	−1,736	−1,096
Taxes	1,026	3,146	4,172
Retained Earnings (net income)	2,241	−356	1,885

NOTE: Interest paid depositors includes interest on borrowed money. Savings and loan interest/dividends on deposit accounts only. Interest on other bonds, notes and debentures included in U.S. government and agency obligations. Includes net realized gains or losses on asset transactions and prior period adjustments for savings and loans.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 25

Retained Earnings as Percent of Total Assets Held by Selected Types of Financial Institutions, 1977–1986

Year	Savings Banks	Commercial Banks	Savings & Loans
1977	.55	.45	.71
1978	.58	.50	.77
1979	.46	.53	.64
1980	−.12	.51	.13
1981	−.82	.46	−.71
1982	−.73	.40	−.62
1983	.15	.34	.24
1984	.01	.39	.15
1985	.60	.37	.27
1986	.99	.36	−.03

NOTE: Data represent retained earnings after all expenses, taxes and dividends paid depositors as percent of average assets. Data for commercial banks are for FDIC-insured institutions and are based on consolidated reports.

SOURCE: FDIC, FHLBB and National Council of Savings Institutions.

Table 26

Income and Expense Ratios for Savings Institutions, 1986 (in percent)

Item	Savings Banks	Savings & Loans	Total Thrifts
Ratios to Total Assets			
Total operating income	9.65	9.91	9.87
Total operating expenses	2.55	2.05	2.14
Interest paid depositors	5.94	7.45	8.66
Retained earnings	.99	−.03	.14
Ratios to Total Deposits			
Interest paid depositors	7.13	9.61	9.16
Retained earnings	1.19	−.04	.18
Ratios to Securities Held			
Interest on U.S. government and agency securities	7.56	—	—
Interest and dividends on other securities	1.20	—	—
Interest and dividends on total securities	8.76	—	—
Ratio to Mortgage Loans			
Net interest and discount on mortgage loans	10.54	10.29	10.33

NOTE: Ratios are computed from data in Table 24 and average asset and liability figures. See footnote to Table 24. Savings and loan interest/dividends on deposit accounts only.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 27

Rates of Return on Assets Held by Savings Institutions, 1977–1986 (in percent)

Year	Total Assets	Mortgages	Securities
	Savings Banks		
1977	7.43	7.61	7.54
1978	7.73	7.92	7.64
1979	8.26	8.26	7.93
1980	8.79	8.64	8.12
1981	9.42	8.89	8.54
1982	9.86	9.25	9.00
1983	9.68	9.84	9.21
1984	9.89	10.02	9.25
1985	10.25	10.56	8.65
1986	9.65	10.54	8.76
	Savings and Loans		
1977	7.33	7.70	5.88
1978	7.64	7.92	6.87
1979	8.17	8.27	9.06
1980	8.59	8.61	10.05
1981	9.71	9.72	11.87
1982	9.97	10.10	10.66
1983	9.58	9.95	8.93
1984	10.26	11.29	9.45
1985	10.80	11.00	8.36
1986	9.91	10.29	7.11

NOTE: Data represent operating income as a percentage of average holdings of total assets, mortgages and securities. Mortgage income is net, after deduction of servicing fees. Total reflects assets other than mortgages and securities.

SOURCE: FHLBB and National Council of Savings Institutions.

Chart 8

Retained Earnings as Percent of Total Assets Held by Types of Financial Institutions, 1977-1986

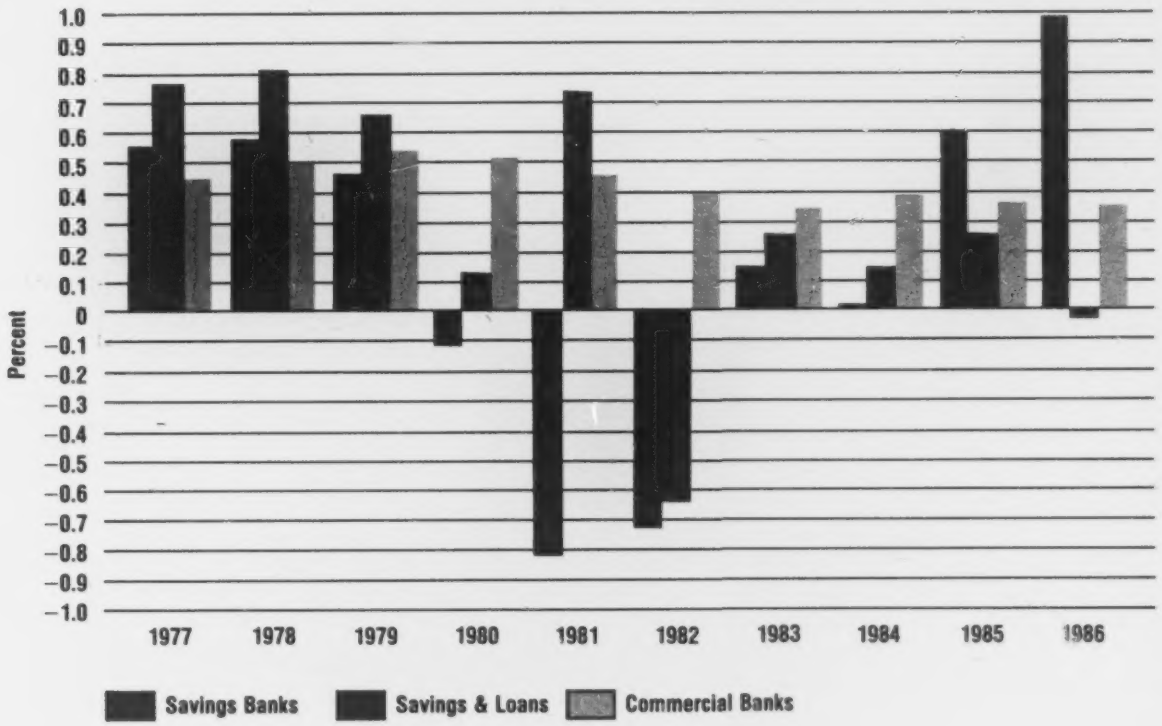


Table 28

Ratios of Liquid Assets and Borrowings to Deposits of Savings Banks, June and December, 1977–1986

(percent of total deposits)

Year/Month	Cash and Investments Maturing within 1 Year	Cash and Investments Maturing within 5 Years	Borrowings and Mortgage Warehousing	Cash and Due in 1 year Less Borrowings
1977 June	6.84	12.16	0.29	6.55
December	5.61	10.80	0.46	5.15
1978 June	6.03	11.21	0.81	5.22
December	6.46	11.19	1.12	5.34
1979 June	6.91	11.48	1.46	5.45
December	6.55	11.05	2.50	4.05
1980 June	7.89	12.47	3.12	4.77
December	8.45	13.45	2.94	5.51
1981 June	9.70	14.31	4.00	5.70
December	10.84	15.61	5.24	5.60
1982 June	13.38	18.27	5.41	7.97
December	12.76	18.46	4.54	8.22
1983 June	12.05	19.85	3.41	8.63
December	10.88	19.71	4.33	6.56
1984 June	11.19	19.88	5.87	5.32
December	11.20	19.64	5.33	5.87
1985 June	11.16	18.59	6.15	5.00
December	12.14	19.64	7.58	4.56
1986 June	13.27	19.44	8.89	4.39
December	12.84	20.30	11.78	1.05

NOTE: Data are outstandings at month-end. Figures on borrowings and mortgage warehousing exclude additional credit arrangements involving mortgage purchase techniques not reported under National Council statistical procedures. Investments maturing within five years include investments maturing within one year.

SOURCE: National Council of Savings Institutions.

Table 29

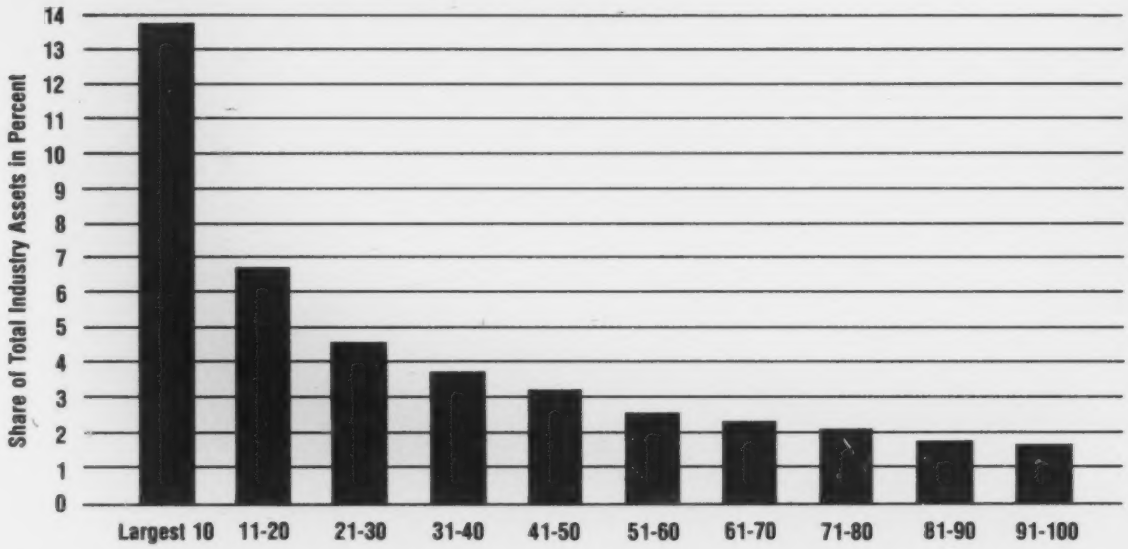
Classification of Institutions by Asset Size, December 31, 1986

Assets	Number of Institutions	Percent of Total Institutions	Total Assets ($ million)	Percent of Total Assets
Over $20 billion	4	0.11	106,457	7.59
Over $10–$20 billion	10	0.28	131,008	9.34
Over $5 billion–$10 billion	25	0.70	164,558	11.74
Over $1 billion–$5 billion	232	6.47	460,499	32.84
Over $500 million–$1 billion	239	6.66	166,934	11.90
Over $200 million–$500 million	606	16.90	185,167	13.21
Over $100 million–$200 million	741	20.66	105,276	7.51
Over $50 million–$100 million	767	21.39	54,971	3.92
Under $50 million	962	26.83	27,289	1.95
TOTAL	3,586	100.00	1,402,159	100.00

SOURCE: FHLBB and National Council of Savings Institutions.

Chart 9

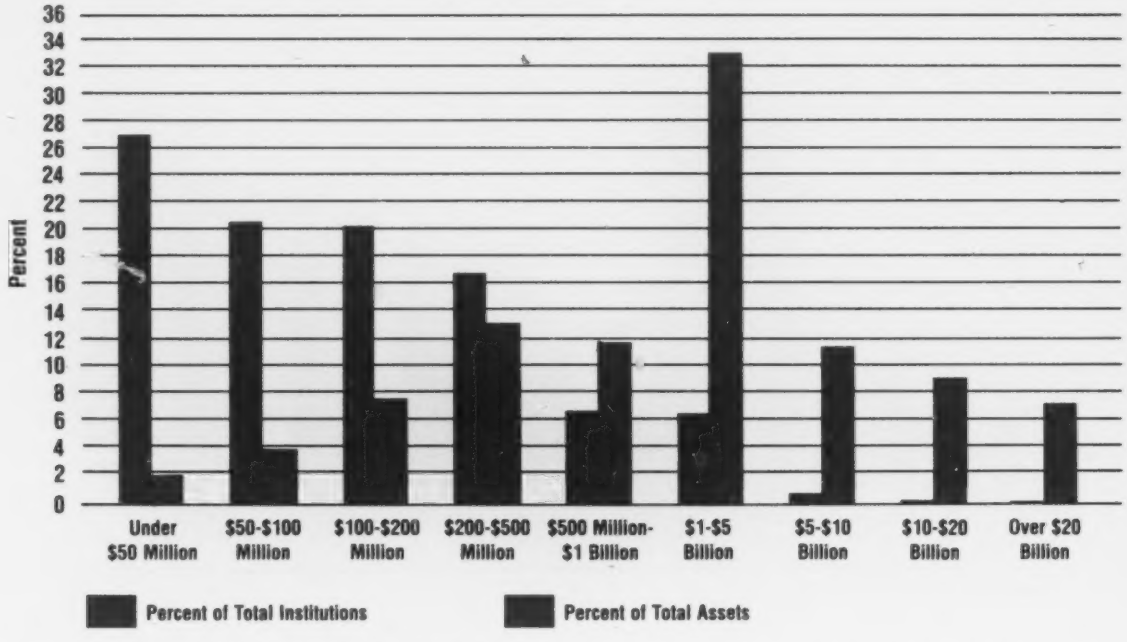
Distribution of Assets of 100 Largest Thrift Institutions, December 1986



SOURCE: National Council of Savings Institutions.

Chart 10

Classification of Institutions by Asset Size, December 1986



SOURCE: FHLBB and National Council of Savings Institutions.

Table 30

Ranking of Top 100 Thrifts in the United States in Order of Assets, December 31, 1986

1986 Rank	Name of Institution	City/State	Assets ($ Millions)	1985 Rank
*1	American Savings & Loan Association	Stockton, CA	33,933	1
2	Home Savings of America, FA	Irwindale, CA	27,790	2
3	Great Western Savings, FSB	Beverly Hills, CA	27,405	3
*4	California Federal Savings & Loan Association	Los Angeles, CA	20,540	4
*5	Meritor Savings Bank	Philadelphia, PA	18,447	5
6	Glendale Federal Savings & Loan Association	Glendale, CA	17,452	6
*7	First Nationwide Bank, FSB	San Francisco, CA	15,044	8
*8	Goldome, FSB	Buffalo, NY	14,669	9
9	Great American First Savings Bank	San Diego, CA	13,065	13
10	World Savings, FS&LA	Oakland, CA	12,439	7
11	Home Federal Savings & Loan Assn. of San Diego	San Diego, CA	12,075	11
12	Gibraltar Savings	Beverly Hills, CA	11,406	12
13	First Federal of Michigan	Detroit, MI	11,272	10
*14	City Federal Savings Bank	Elizabeth, NJ	10,728	15
*15	Columbia Savings & Loan Assn.	Beverly Hills, CA	10,223	19
*16	CrossLand Savings, FSB	Brooklyn, NY	10,096	16
17	Coast Savings & Loan Assn.	Los Angeles, CA	9,725	17
18	Imperial Savings Assn.	San Diego, CA	8,912	18
*19	Dime Savings Bank of New York, FSB	Garden City, NY	8,367	14
*20	Anchor Savings Bank, FSB	Northport, NY	7,359	20
21	Standard Federal Bank	Troy, MI	6,737	26
*22	Sears Savings Bank	Glendale, CA	6,578	21
23	TCF Banking & Savings, FA	Minneapolis, MN	6,518	25
24	Bowery Savings Bank	New York, NY	6,304	24
*25	Empire of America, FSB	Buffalo, NY	6,302	23
26	MeraBank, FSB	Phoenix, AZ	6,258	27
*27	CenTrust Savings Bank	Miami, FL	6,167	32
28	Franklin Savings Association	Ottawa, KS	6,036	57
*29	United Savings Assn.	Houston, TX	5,969	34
*30	Atlantic Financial Federal	Bala Cynwyd, PA	5,979	41
31	Northeast Savings, FA	Hartford, CT	5,846	39
32	Talman Home Federal Savings & Loan Assn.	Chicago, IL	5,700	22
*33	Long Island Savings Bank, FSB	Syosset, NY	5,636	35
*34	Western Savings & Loan Association	Phoenix, AZ	5,593	33
*35	Carteret Savings Bank, FA	Morristown, NJ	5,541	29
36	Citicorp Savings of Illinois, FS&LA	Chicago, IL	5,528	38
37	Homestead Savings, FS&LA	San Francisco, CA	5,492	37
*38	Florida Federal Savings & Loan Assn.	St. Petersburg, FL	5,465	28
*39	Washington Mutual Savings Bank	Seattle, WA	5,393	43
40	Transohio Savings Bank, FSB	Cleveland, OH	5,062	56
*41	Citicorp Savings, FS&LA	San Francisco, CA	4,979	42
*42	People's Bank	Bridgeport, CT	4,957	44
43	Bright Banc Savings Assn.	Dallas, TX	4,801	80
44	Gibraltar Savings Assn.	Houston, TX	4,708	30
*45	Santa Barbara Savings & Loan Assn.	Santa Barbara, CA	4,557	58
46	First Federal Savings & Loan Assn.	Rochester, NY	4,540	36
47	Benjamin Franklin Federal S&L Assn.	Portland, OR	4,431	45
*48	Perpetual Savings Bank, FSB	McLean, VA	4,407	46
*49	Dollar Dry Dock Savings Bank	Bronx, NY	4,365	31
*50	Howard Savings Bank	Newark, NJ	4,294	50

1986 Rank	Name of Institution	City/State	Assets ($ Millions)	1985 Rank
*51	Pacific First Federal Savings Bank	Tacoma, WA	4,097	52
52	Community Federal Savings & Loan Assn.	St. Louis, MO	4,030	48
53	AmeriFirst Federal Savings & Loan Assn.	Miami, FL	4,017	40
54	University Savings Assn.	Houston, TX	3,936	47
*55	American Savings Bank, FSB	New York, NY	3,833	51
*56	First Texas Savings Assn.	Dallas, TX	3,663	49
*57	Lincoln Savings & Loan Assn.	Irvine, CA	3,605	55
*58	Emigrant Savings Bank	New York, NY	3,514	53
*59	Old Stone Bank, FSB	Providence, RI	3,512	70
60	Bank Western, FSB	Denver, CO	3,508	64
61	Commercial Federal Savings & Loan Assn.	Omaha, NE	3,330	67
*62	Seaman's Bank for Savings, FSB	New York, NY	3,315	60
63	Farm & Home Savings Assn.	Nevada, MO	3,298	69
64	Fidelity Federal Savings & Loan Assn.	Glendale, CA	3,295	59
*65	Midwest Federal Savings & Loan Assn.	Minneapolis, MN	3,254	62
66	Georgia Federal Bank, FSB	Atlanta, GA	3,215	71
67	Sunbelt Savings Assn.	Dallas, TX	3,195	63
*68	Rochester Community Savings Bank	New York, NY	3,138	65
*69	Green Point Savings Bank	Brooklyn, NY	3,091	74
70	First Minnesota Savings Bank, FSB	St. Paul, MN	3,040	61
*71	Far West Savings & Loan Assn.	Newport Beach, CA	3,025	87
*72	Manhattan Savings Bank	New York, NY	3,019	66
*73	Society for Savings	Hartford, CT	2,948	81
74	Citicorp Savings of Florida, FS&LA	Miami, FL	2,948	54
75	Guarantee Savings, FS&LA	Fresno, CA	2,896	68
76	Chevy Chase Savings Bank, FSB	Chevy Chase, MD	2,791	96
*77	Hudson City Savings Bank	Paramus, NJ	2,742	78
78	Empire of America, FSB	Fort Worth, TX	2,741	75
*79	Columbia Savings, FS&LA	Denver, CO	2,718	85
*80	San Jacinto Savings Assn.	Houston, TX	2,709	82
*81	Apple Bank for Savings	New York, NY	2,699	129
82	Hill Financial Savings Assn.	Red Hill, PA	2,697	93
83	Great Lakes Federal Savings & Loan Assn.	Ann Arbor, MI	2,692	88
84	Valley Federal Savings & Loan Assn.	Van Nuys, CA	2,661	83
85	San Antonio Savings Assn.	San Antonio, TX	2,612	95
86	American Savings & Loan Assn. of Florida	Miami, FL	2,611	73
87	Citizens Federal Savings & Loan Assn.	Miami, FL	2,599	115
*88	Guardian Savings & Loan Assn.	Houston, TX	2,590	79
89	Astoria Federal Savings & Loan Assn.	Queens, NY	2,571	101
90	Pima Savings & Loan Assn.	Tucson, AZ	2,564	106
*91	First Southern Federal Savings & Loan Assn.	Mobile, AL	2,535	108
92	Capitol Federal Savings & Loan Assn.	Topeka, KS	2,495	94
93	Downey Savings & Loan Assn.	Costa Mesa, CA	2,482	76
*94	First Federal Savings & Loan Assn.	Pittsburgh, PA	2,477	99
*95	East River Savings Bank	New York, NY	2,453	107
*96	Horizon Financial, FA	Southampton, PA	2,420	112
97	Fortune Financial Group, Inc.	Clearwater, FL	2,416	110
98	St. Paul Federal Bank for Savings	Chicago, IL	2,395	105
*99	Dollar Bank, FSB	Pittsburgh, PA	2,380	89
100	Mercury Savings, FS&LA	Huntington Beach, CA	2,373	102

*Member of the National Council of Savings Institutions.

SOURCE: *American Banker* and National Council of Savings Institutions.

Selected State Statistics

I. Portfolio Activity

Because the aggregate data might suggest a high degree of uniformity across the majority of thrift institutions, it is often useful to look at state-by-state data to emphasize the diversity. This diversity is most apparent in the earnings data shown in Tables 44 and 45. New York and Massachusetts tend to dominate the savings bank statistics both in terms of number of institutions and total assets. For savings and loan associations, California, Texas and Florida serve the same purpose.

Table 31

Assets and Liabilities of Savings Banks, by Selected States, December 31, 1986

(in millions of dollars)

Item	Total	NY (all)	MA (all)	CT	PA	NJ	WA	ME	NH	RI	All Other States
ASSETS											
Cash and Due from Banks	6,893	1,834	1,325	1,207	367	1,220	104	244	223	215	154
U.S. Treasury and Federal											
Agency Obligations	14,207	6,053	3,603	1,310	288	999	349	355	308	700	242
State and Local Obligations	2,185	1,022	108	171	547	116	58	13	64	31	55
Mortgage Investments	144,206	67,856	22,015	16,467	15,161	7,243	6,154	2,724	2,873	1,603	2,110
Mortgage loans	118,371	53,631	21,223	15,830	7,938	6,291	4,541	2,660	2,784	1,535	1,938
Mortgage-backed securities	25,835	14,225	792	637	7,223	952	1,613	64	89	68	172
Corporate Bonds	12,840	6,706	2,238	839	670	974	665	375	140	42	191
Other Bonds, Notes and Debentures	3,401	2,118	733	87	176	70	86	45	62	1	23
Corporate Stock	4,215	1,113	1,068	1,174	101	63	82	213	284	13	104
Other Loans	35,127	15,361	5,198	4,681	3,643	1,945	328	906	1,744	521	800
Guaranteed education loans	2,516	1,253	348	235	266	239	12	81	34	20	28
Consumer installment loans	7,253	1,810	1,034	1,624	938	639	81	248	426	162	291
Home improvement loans	1,058	242	234	235	15	125	36	46	45	50	30
Federal loans	6,242	3,698	928	435	357	269	59	194	182	41	79
Passbook loans	840	320	208	150	17	33	9	30	33	24	16
All other loans	17,218	8,038	2,446	2,002	2,050	640	131	307	1,024	224	356
Other Assets	13,794	8,207	1,255	993	1,761	583	364	167	233	112	119
TOTAL ASSETS	236,868	110,270	37,543	26,929	22,714	13,213	8,190	5,042	5,931	3,238	3,798

Table 31 (continued)

Assets and Liabilities of Savings Banks, by Selected States, December 31, 1986

(in millions of dollars)

Item	Total	NY (all)	MA (all)	CT	PA	NJ	WA	ME	NH	RI	All Other States
LIABILITIES AND RESERVES											
Regular Deposits	186,354	88,788	30,393	21,252	15,932	11,154	5,052	3,969	4,453	2,260	3,101
Ordinary savings	37,723	18,734	6,763	4,013	2,625	2,523	419	648	685	487	826
MMDAs	41,217	18,557	8,112	4,614	2,667	2,368	1,512	1,263	958	633	533
NOW and Super NOW	6,609	2,310	2,009	733	424	324	193	207	331	—	78
Time	100,805	49,187	13,509	11,892	10,216	5,939	2,928	1,851	2,479	1,140	1,664
Short-term	9,565	5,740	1,306	772	793	207	375	54	166	92	60
Long-term (six months or more)	72,050	35,914	8,767	8,003	7,206	4,263	2,136	1,571	1,888	927	1,375
$100,000 and over	10,177	4,134	1,535	727	2,088	481	410	124	403	119	156
Other time	9,013	3,399	1,901	2,390	129	988	7	102	22	2	73
Other Deposits	5,850	2,170	896	974	544	609	61	175	233	7	181
TOTAL DEPOSITS	192,204	90,958	31,289	22,226	16,476	11,763	5,113	4,144	4,686	2,267	3,282
Borrowings and Mortgage Warehousing	20,142	9,651	1,487	1,700	4,099	334	1,152	300	670	601	148
Other Liabilities	5,130	2,445	670	419	576	204	579	61	95	37	44
Consumer Repurchase Agreements	1,293	348	62	91	—	—	786	3	3	—	—
TOTAL LIABILITIES	218,769	103,402	33,508	24,436	21,151	12,301	7,630	4,508	5,454	2,905	3,474
Capital Notes and Debentures	877	280	11	56	425	8	85	5	—	5	2
Other General Reserve	17,222	6,588	4,024	2,437	1,138	904	475	529	477	328	322
TOTAL GENERAL RESERVE	18,099	6,868	4,035	2,493	1,563	912	560	534	477	333	324
TOTAL LIABILITIES AND RESERVES	236,868	110,270	37,543	26,929	22,714	13,213	8,190	5,042	5,931	3,238	3,798
MEMORANDA:											
Cash and Investments											
Maturing within 1 year	24,672	9,008	4,721	2,731	2,701	2,346	518	752	627	858	410
Maturing within 5 years	39,025	13,367	7,844	3,994	6,231	3,138	630	1,163	867	1,207	584
Total Mortgage Loans	119,657	54,496	21,346	15,855	8,129	6,304	4,569	2,675	2,795	1,543	1,945
Residential	99,326	46,486	17,076	13,684	6,434	5,274	3,732	2,006	2,197	943	1,494
FHA and VA	12,876	8,507	1,102	500	1,284	871	156	190	130	36	100
Conventional	86,450	37,979	15,974	13,184	5,150	4,403	3,576	1,816	2,067	907	1,394
Farm and Nonresidential	20,331	8,010	4,270	2,171	1,695	1,030	837	669	598	600	451
Number of Banks	366	81	141	57	6	15	6	21	24	5	10

NOTE: Consumer installment loans for New York include overdrafts and other loans. The mortgage loan breakdown shown in memoranda are gross of valuation reserves. Cash and investments maturing within one and five years include cash, federal funds, securities and open market paper. For savings banks, federal agency obligations are included in U.S. government securities rather than in corporate and other securities. Therefore, in this table, these two categories are not comparable with previous years. Data are end-of-year. Balance sheet data are net of valuation reserves. Annual and monthly changes in balance sheet items shown in subsequent tables of the *National Fact Book* are strictly comparable for all periods, reflecting adjustments made to take account of the shifts in reporting procedures as well as for conversions of different types of institutions.

SOURCE: National Council of Savings Institutions.

Table 32

Distribution of Savings Banks According to Size, Selected States, December 31, 1986

State	Total Number of Savings Banks	Assets (in millions of dollars)					
		Less than 50.0	50.0 to 99.9	100.0 to 299.9	300.0 to 499.9	500.0 to 999.9	1,000.0 and Over
Massachusetts	141	12	27	61	24	12	5
New York	81	—	11	21	10	13	26
Connecticut	57	3	7	21	11	9	6
New Hampshire	24	3	3	14	—	3	1
Maine	21	2	6	10	1	—	2
New Jersey	15	—	—	6	2	4	3
Washington	6	—	—	2	—	2	2
Pennsylvania	6	—	1	1	—	—	4
Rhode Island	5	—	—	3	—	1	1
Vermont	5	1	—	3	—	1	—
Delaware	2	—	—	1	—	—	1
Maryland	1	—	—	—	—	—	1
Wisconsin	1	—	1	—	—	—	—
Alaska	1	—	1	—	—	—	—
TOTAL	366	21	57	143	48	45	52

SOURCE: National Council of Savings Institutions.

Table 33

Distribution of Savings and Loans According to Size, Selected States, December 31, 1986

State	Total Number of Savings & Loans	Assets (in millions of dollars)					
		Less than 50.0	50.0 to 99.9	100.0 to 299.9	300.0 to 499.9	500.0 to 999.9	1,000.0 and Over
California	216	46	37	56	24	14	39
Florida	149	39	18	43	7	14	28
Illinois	267	86	65	70	16	17	13
Massachusetts	33	9	10	8	2	2	2
Missouri	85	28	24	17	8	3	5
North Carolina	139	44	35	43	13	3	1
New Jersey	139	18	27	63	14	8	9
New York	86	19	15	23	12	5	12
Ohio	232	94	49	55	12	7	15
Pennsylvania	169	51	37	60	8	7	6
Texas	281	67	61	87	20	26	20
Virginia	66	20	8	12	13	10	3
All Other States	1,358	420	324	391	80	78	65
TOTAL	3,220	941	710	928	229	194	218

NOTE: Table shows ranges for FSLIC-insured savings and loans.
SOURCE: FHLBB and National Council of Savings Institutions.

Table 34

Number of Offices of Depository Institutions, Selected States, December 31, 1986

State	Savings Banks			Insured Commercial Banks			Savings & Loan Associations		
	Banks	Branches	Total Offices	Banks	Branches	Total Offices	Assns	Branches	Total Offices
Massachusetts	141	589	730	108	1,076	1,184	31	137	168
New York	81	754	835	200	3,377	3,577	87	654	741
Connecticut	57	422	479	59	466	525	35	150	185
Maine	21	137	158	22	328	350	15	23	38
New Hampshire	24	62	86	60	210	270	14	32	46
New Jersey	15	233	248	125	1,766	1,891	140	739	879
Washington	6	28	34	94	640	734	43	383	426
Pennsylvania	6	236	242	304	2,420	2,724	175	862	1,037
Rhode Island	5	75	80	15	181	196	3	32	35
Vermont	5	9	14	25	194	219	4	10	14
California	—	—	—	484	4,800	5,284	219	3,036	3,255
Florida	—	—	—	420	1,620	2,040	149	1,819	1,968
Illinois	—	—	—	1,222	739	1,961	268	826	1,094
Texas	—	—	—	1,972	382	2,354	277	1,653	1,930
All Other States	5	59	64	9,126	22,424	31,550	1,789	9,184	10,973
TOTAL	366	2,604	2,970	14,236	40,623	54,859	3,249	19,540	22,789

NOTE: Figures for commercial banks include nondeposit trust companies. Savings and loan data reflect total associations as of June 30, 1986.
SOURCE: FDIC, FHLBB and National Council of Savings Institutions.

Table 35

Number of Savings Banks Offering Selected Services, by Selected States, December 31, 1986

Item	Total	MA	NY	CT	ME	NH	NJ	WA	PA	RI	VT
Total Number of Savings Banks	366	141	81	57	21	24	14	6	6	6	5
Adjustable Rate Mortgages	320	123	72	49	20	22	13	4	5	5	3
Collateral Loans	300	125	51	50	21	22	11	4	5	3	3
Consumer Loans	321	126	70	50	21	22	10	4	5	5	3
Education Loans	305	122	71	45	21	20	13	1	4	4	2
Home Improvement and Second Mortgage Loans	326	126	74	49	21	22	11	4	5	6	3
Corporate Leasing	40	17	9	1	1	4	—	—	4	1	—
Passbook Loans	328	126	73	51	21	21	13	6	4	6	3
Checking Accounts	283	98	68	46	21	19	13	6	4	1	3
NOW Accounts	294	121	61	40	21	22	10	6	5	1	3
Super NOW Accounts	225	73	58	39	18	11	12	2	5	—	3
Checking or NOW Overdrafts	195	73	49	37	10	13	3	4	2	1	2
Club Accounts	290	99	71	46	21	22	13	—	5	6	3
Individual Retirement Accounts	329	126	74	50	21	22	12	6	5	6	3
Keogh Plans	234	100	63	25	8	13	10	4	4	2	2
Depository for Corporate Retirement	84	31	25	15	3	5	2	—	2	—	—
Savings Bank Life Insurance	248	117	72	49	2	2	4	—	—	—	—
Securities Brokerage	132	55	27	22	9	7	5	2	2	1	2
Commercial Real Estate Loans	287	111	61	46	21	19	11	4	5	3	3
Payroll Savings	209	79	51	34	12	15	7	—	3	4	—
Personal Trust Services	33	13	3	7	—	5	2	—	1	—	—
Safe Deposit Boxes	291	108	68	44	20	21	13	6	4	4	3
Travelers Checks	327	127	73	50	20	22	13	6	5	4	3
Money Orders	326	132	72	49	21	20	14	3	5	4	2
Automated Teller Machines	232	102	33	39	13	16	7	4	5	6	3
Point of Sale Banking	55	9	27	1	10	4	1	—	2	—	—
VISA (credit or debit)	196	78	33	42	14	12	4	4	4	1	3
Master Card	117	41	18	24	7	11	4	2	4	1	3
American Express Gold Card	25	4	3	10	2	3	1	—	—	—	—
Check Verification, Guaranteed	72	32	20	10	—	4	1	2	1	—	2
Corporate and Business Lending	236	91	46	38	20	17	6	—	5	4	3
Real Estate Development	122	56	25	18	5	7	5	—	2	1	—

NOTE: Variations among states partly reflect differences in legal provisions governing the particular services which may be offered by savings banks. Total includes data for states not shown separately.

SOURCE: National Council of Savings Institutions.

II. Deposit Activity

Table 36

Deposits, Number of Accounts and Average Size of Accounts in Savings Institutions, by Selected States, December 31, 1986

State	Deposits (in millions of dollars)					Number of Accounts (in thousands)		Average Size of Accounts (in dollars)	
	Total	Regular Deposits			Other	Total	Regular	Total	Regular
		Total	Savings	Time					
Savings Banks									
New York	90,958	88,788	39,601	49,187	2,170	13,524	11,599	6,726	7,655
Massachusetts	31,289	30,393	16,884	13,509	896	5,474	5,199	5,716	5,846
Connecticut	22,226	21,252	9,360	11,892	974	3,671	3,119	6,054	6,814
Pennsylvania	16,476	15,932	5,716	10,216	544	2,075	1,865	7,940	8,543
New Jersey	11,763	11,154	5,215	5,939	609	1,886	1,475	6,237	7,562
Washington	5,113	5,052	2,124	2,928	61	614	602	8,327	8,392
Maine	4,144	3,969	2,118	1,851	175	790	678	5,246	5,854
New Hampshire	4,686	4,453	1,974	2,479	233	782	671	5,992	6,636
Rhode Island	2,267	2,260	1,120	1,140	7	400	365	5,668	6,192
All Other States	3,282	3,101	1,437	1,664	181	605	492	5,425	6,303
TOTAL	192,204	186,354	85,549	100,805	5,850	29,821	26,065	6,445	7,150
Savings and Loans									
California	218,136	218,136	54,621	163,515	—	18,461	—	11,816	—
Florida	64,124	64,124	20,221	43,903	—	6,961	—	9,212	—
Illinois	54,839	54,839	18,658	36,181	—	7,897	—	6,944	—
Massachusetts	5,388	5,388	2,485	2,903	—	856	—	6,294	—
Missouri	17,739	17,739	4,456	13,283	—	2,890	—	6,138	—
New Jersey	39,880	39,880	15,368	24,512	—	5,733	—	6,956	—
New York	38,723	38,723	18,086	20,637	—	6,018	—	6,435	—
North Carolina	16,370	16,370	4,842	11,528	—	2,180	—	7,509	—
Ohio	43,009	43,009	15,285	27,724	—	6,558	—	6,558	—
Pennsylvania	31,392	31,392	11,838	19,554	—	5,546	—	5,660	—
Texas	80,301	80,301	17,201	63,100	—	6,405	—	12,537	—
Virginia	18,254	18,254	6,656	11,598	—	2,021	—	9,032	—
All Other States	262,119	262,119	80,250	181,869	—	38,598	—	6,791	—
TOTAL	890,274	890,274	269,967	620,307	—	110,124	—	8,084	—

NOTE: For savings banks, regular deposits include savings, time and transaction deposits. Savings deposits refer to all ordinary passbook or statement-type savings accounts and interest-bearing NOW accounts. Time deposits consist of certificates, special notice accounts, term and other time deposits. "Other" deposits include all school, club, checking, non-interest-bearing NOW accounts and certain other accounts. Deposit data exclude mortgagors' escrow accounts. Detail may not add due to rounding.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 37

Savings Held in Selected Media, by Selected States, December 31, 1986

(in millions of dollars)

State	Total	Savings Banks	Commercial Banks	Savings & Loans
New York	272,684	90,958	143,003	38,723
Massachusetts	74,879	31,289	38,202	5,388
Connecticut	46,211	22,226	16,215	7,770
Pennsylvania	123,463	16,476	75,595	31,392
New Jersey	90,011	11,763	38,368	39,880
California	355,544	—	137,408	218,136
Florida	127,554	—	63,430	64,124
Illinois	129,138	—	74,299	54,839
Texas	185,615	—	105,314	80,301
TOTAL	1,405,099	172,712	691,834	540,553

NOTE: Data include total deposits of savings banks, domestic savings and time deposits of individuals, partnerships and corporations of insured commercial banks, and savings capital of savings and loan associations.

SOURCE: FDIC, FHLBB and National Council of Savings Institutions.

Table 38

Keogh Retirement Accounts in Savings Banks, by Selected States, December 31, 1986

State	Amount Outstanding (in thousands of dollars)	Number of Individuals Covered	Average Per Capita Balance (in dollars)	Percent of Banks Offering Keogh Accounts
New York	1,139,809	125,929	9,051.20	84.4
Massachusetts	203,789	22,285	9,144.67	81.1
Connecticut	136,104	25,493	5,338.88	47.0
Pennsylvania	146,549	8,424	17,396.60	80.0
New Jersey	97,429	13,157	7,405.11	73.3
Washington	698	121	5,768.60	50.0
Maine	5,629	244	23,069.67	28.6
New Hampshire	32,866	5,427	6,056.02	47.6
All Other States	17,828	1,270	14,037.80	46.2
TOTAL	1,780,701	202,350	8,800.10	69.3

NOTE: Keogh accounts refer to tax-sheltered savings plans for self-employed persons.

SOURCE: National Council of Savings Institutions.

Table 39

Individual Retirement Accounts in Savings Banks, by Selected States, December 31, 1986

State	Amount Outstanding (in thousands of dollars)	Number of Individuals Covered	Average Per Capita Balance (in dollars)	Percent of Banks Offering IRA Accounts
New York	6,732,250	1,773,821	3,795.34	98.7
Massachusetts	1,996,662	505,157	3,952.56	100.0
Connecticut	1,666,191	417,822	3,987.80	98.0
Pennsylvania	961,104	135,689	7,083.14	100.0
New Jersey	760,236	227,735	3,338.25	93.3
Washington	115,200	36,038	3,196.63	100.0
Maine	262,223	60,785	4,313.94	100.0
New Hampshire	223,762	48,673	4,597.25	100.0
All Other States	414,699	112,846	3,674.91	100.0
TOTAL	13,132,327	3,318,566	3,957.23	99.1

NOTE: Effective December 1, 1981, the IRA retirement savings program was broadened to include individuals covered by qualified retirement plans, allowing them to establish IRAs with maximum annual contributions of $2,000. In addition, limits for individuals already authorized to participate in an IRA program were expanded.

SOURCE: National Council of Savings Institutions.

Table 40

Average Annual Rate of Interest Paid on Deposits in Savings Banks, by Selected States, 1977–1986

(in percent)

Year	Total	NY	MA	CT	PA	NJ	WA	ME	NH	RI
1977	6.03	6.08	5.89	6.02	6.23	5.84	6.06	5.95	6.09	5.77
1978	6.14	6.20	5.92	6.15	6.36	5.93	6.23	6.07	6.20	5.87
1979	6.80	6.88	6.36	6.86	7.05	6.75	7.07	6.74	6.85	6.47
1980	7.96	7.97	7.48	8.16	8.24	8.03	8.51	7.99	7.82	7.72
1981	9.48	9.37	8.78	10.02	10.07	9.86	10.19	9.61	9.63	9.56
1982	9.71	9.53	9.62	10.18	9.99	9.78	10.56	9.53	9.89	9.98
1983	8.66	8.63	9.21	8.96	9.18	8.38	9.11	7.38	8.82	8.94
1984	8.65	8.79	7.81	9.00	9.13	8.29	9.47	8.70	8.96	9.41
1985	8.09	8.08	7.29	8.90	8.80	7.69	8.39	8.01	7.50	8.11
1986	7.13	7.31	6.86	6.83	7.86	6.48	8.05	7.06	7.65	4.52

NOTE: Total includes data for states not shown separately. Data represent ratios of interest paid to average total deposits.
SOURCE: National Council of Savings Institutions.

Table 41

Average Annual Rate of Interest Paid on Deposits in Savings and Loans, by Selected States, 1977–1986

(in percent)

Year	Total	CA	FL	IL	MA	MO	NJ	NY	NC	OH	PA	TX
1977	6.41	6.47	6.35	6.42	6.15	6.52	6.17	6.12	6.43	6.29	6.26	6.69
1978	6.80	6.61	6.49	6.57	6.21	6.63	6.33	6.11	6.54	6.44	6.38	6.80
1979	7.31	7.64	7.27	7.24	6.47	7.24	7.14	6.95	7.01	7.19	7.02	7.57
1980	8.69	9.33	8.73	8.48	7.98	8.47	8.48	8.11	8.48	8.43	8.24	9.10
1981	10.70	11.59	10.56	10.32	9.83	10.24	10.50	9.72	10.55	10.33	10.08	11.35
1982	11.03	11.82	10.78	10.67	9.23	11.05	11.00	9.24	11.18	10.76	10.43	11.40
1983	9.65	9.79	9.80	9.62	7.70	9.92	9.48	8.23	9.97	9.26	9.48	9.97
1984	9.92	10.58	9.65	9.56	9.27	10.02	9.81	9.53	9.63	9.40	9.39	10.35
1985	10.75	11.77	10.81	9.50	10.37	9.96	10.02	9.50	9.50	9.71	9.60	11.24
1986	9.61	10.58	9.43	8.35	9.54	8.96	8.72	8.62	8.42	8.39	8.63	10.04

NOTE: Total includes data for states not shown separately.
SOURCE: FHLBB and National Council of Savings Institutions.

III. Income and Investment

Table 42

Rates of Return on Assets Held by Savings Banks, by Selected States, 1982–1986

(in percent)

Year	Total	NY	MA	CT	PA	NJ	WA	ME	NH	RI
					Total Assets					
1982	9.86	9.36	10.44	10.67	9.56	9.97	11.07	10.71	11.02	10.90
1983	9.68	9.19	10.73	10.51	9.71	9.27	11.02	9.44	11.01	10.76
1984	9.89	9.51	9.84	10.99	10.10	9.69	11.35	11.00	11.46	11.50
1985	10.25	9.78	10.35	11.59	10.65	9.93	11.24	10.73	9.74	10.71
1986	9.65	9.49	10.21	9.42	9.58	9.22	10.25	10.20	10.69	8.93
					Mortgages					
1982	9.25	8.75	9.69	10.36	9.26	9.10	10.34	10.35	10.80	10.18
1983	9.84	8.66	9.71	10.68	9.99	9.24	10.97	9.27	10.61	10.58
1984	10.02	9.75	9.50	10.93	10.18	9.56	11.81	11.03	11.86	11.24
1985	10.56	10.06	9.94	11.32	12.37	10.20	11.80	11.06	10.17	11.25
1986	10.54	11.03	9.93	10.40	9.18	10.18	11.39	11.05	12.26	11.17
					Securities					
1982	9.00	8.72	N/A	10.19	9.02	9.34	9.17	10.83	10.19	10.67
1983	9.17	9.76	N/A	9.84	9.33	9.60	9.27	9.35	9.50	10.52
1984	9.25	8.95	9.27	9.79	10.14	9.49	9.30	10.35	10.37	10.30
1985	8.65	8.14	9.86	8.37	9.26	9.37	8.49	10.31	8.84	8.57
1986	8.76	9.86	2.98	7.48	6.38	7.82	7.55	9.38	8.86	5.00
					Mortgage-backed Securities					
1986	7.98	7.10	8.41	5.05	11.29	9.98	6.54	4.11	2.67	10.96

N/A = not available

NOTE: Data represent operating income as a percentage of average holdings of total assets, mortgages, securities and mortgage-backed securities. Mortgage income is net, after deduction of servicing fees and for 1982-1985 includes mortgage-backed securities. For the state of Massachusetts mortgages include other loans. Total includes data for states not shown separately and reflects assets other than mortgages and securities.

SOURCE: National Council of Savings Institutions.

Table 43

Rates of Return on Assets Held by Savings and Loans, by Selected States, 1982–1986

(in percent)

Year	Total	CA	FL	IL	MA	MO	NJ	NY	NC	OH	PA	TX
						Total Assets						
1982	9.97	10.55	9.50	9.30	8.88	9.47	10.01	8.48	10.13	9.77	9.61	9.94
1983	9.58	9.80	9.86	9.27	8.40	9.50	9.61	8.38	10.05	9.29	9.74	9.89
1984	10.26	10.42	10.05	9.99	10.34	10.09	10.51	10.10	10.47	9.91	10.23	10.21
1985	10.80	10.94	10.64	10.30	11.33	10.44	10.84	10.19	11.21	10.67	10.67	11.26
1986	9.91	10.05	9.75	9.74	11.68	9.45	9.99	9.91	10.55	9.81	2.63	9.01
						Mortgages						
1982	10.10	11.01	9.65	9.59	8.93	9.57	9.98	8.39	10.27	9.91	9.73	10.08
1983	9.95	10.44	10.15	9.87	8.67	9.81	10.07	8.60	10.37	9.70	9.96	9.79
1984	11.29	11.74	10.68	11.04	11.19	10.90	11.37	10.87	11.08	10.61	10.94	11.59
1985	11.00	11.38	10.91	10.79	11.02	10.55	10.97	10.52	11.20	10.81	10.77	11.25
1986	10.29	10.32	10.12	10.09	11.10	9.92	10.13	10.80	10.47	10.22	10.21	9.68
						Securities						
1982	10.66	10.81	10.53	10.44	9.76	10.93	11.53	10.56	11.46	11.03	10.54	9.72
1983	8.93	8.40	9.27	9.45	7.40	9.41	8.73	8.72	9.78	8.77	9.93	9.04
1984	9.45	8.83	9.68	10.09	9.23	9.22	9.28	10.38	10.18	9.38	9.52	8.64
1985	8.36	7.58	8.11	8.84	7.69	8.95	9.02	8.75	9.06	8.68	8.93	8.05
1986	7.11	6.85	6.86	7.87	6.82	8.79	7.38	7.65	7.51	7.14	7.67	6.98
						Mortgage-backed Securities						
1986	9.57	10.03	8.76	9.50	6.25	8.40	9.81	9.68	9.35	8.77	9.44	10.16

NOTE: Data represent operating income as a percentage of average holdings of total assets, mortgages, securities and mortgage-backed securities. Mortgage income is net, after deduction of servicing fees and for 1982-1985 includes mortgage-backed securities. Total includes data for states not shown separately and reflects assets other than mortgages and securities.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 44

Retained Earnings as Percent of Total Assets in Savings Banks, by Selected States, 1977–1986

(in percent)

Year	Total	NY	MA	CT	PA	NJ	WA	ME	NH	RI
1977	.55	.44	.58	.77	.60	.71	.97	.82	.87	.75
1978	.58	.50	.56	.64	.69	.72	.99	.88	.92	.79
1979	.46	.32	.45	.96	.53	.53	.64	.75	.85	.84
1980	−.12	−.44	.18	.42	.14	.09	.06	.42	.47	.58
1981	−.82	−1.27	−.06	−.11	−.72	−.59	−.99	−.13	.01	.24
1982	−.73	−1.13	−.13	−.15	−.84	−.55	−.65	−.09	−.11	.03
1983	.05	−.26	.53	.77	−.50	.46	.05	.98	.62	.41
1984	.01	−.31	.38	.46	−.10	.30	.14	.67	.78	.68
1985	.60	.40	1.05	.86	.35	.60	.56	1.01	1.02	1.11
1986	.99	1.02	1.29	1.04	.18	.77	1.49	1.31	1.24	1.39

NOTE: Data are retained earnings as percent of average total assets. Savings bank data for 1977–1978 are on a somewhat different basis from other years. The differences are small except for net realized losses on asset transactions.

SOURCE: National Council of Savings Institutions.

Table 45

Retained Earnings as Percent of Total Assets in Savings and Loans, by Selected States, 1977–1986

(in percent)

Year	Total	CA	FL	IL	MA	MO	NC	NJ	NY	OH	PA	TX
1977	.71	.98	.60	.55	.34	.66	.81	.63	.47	.70	.61	.75
1978	.77	1.02	.70	.62	.34	.69	.83	.65	.45	.75	.65	.79
1979	.64	.86	.59	.53	.36	.64	.69	.47	.20	.62	.52	.66
1980	.13	.29	.15	−.07	−.04	−.08	.20	.04	−.48	.16	.07	.21
1981	−.71	−.54	−.62	−.92	−.80	−.91	−.69	−.70	−1.61	−.76	−.60	−.62
1982	−.62	−.35	−.62	−.73	−.65	−.95	−.76	−.72	−1.33	−.82	−.51	−.34
1983	.24	.47	.17	−.04	.77	−.28	−.06	.28	−.10	−.09	.29	.73
1984	.12	−.06	.05	.14	.56	.02	.45	−.14	.42	.09	.48	.42
1985	.27	.27	−.07	.48	1.00	.12	.76	.70	.56	.22	.61	.26
1986	−.03	.20	.08	.74	1.63	.21	1.08	.82	1.06	.56	.73	−3.74

NOTE: Data are net income as percent of average total assets. Savings and loan interest/dividends on deposit accounts only.

SOURCE: FHLBB and National Council of Savings Institutions.

Table 46

Ratio of Capital or General Reserve Accounts to Total Assets, Selected Types of Depository Institutions, December 31, 1986

(in percent)

State	Savings Banks	Commercial Banks	Savings & Loans
New York	6.2	5.5	5.3
Massachusetts	10.7	5.2	8.0
Connecticut	9.3	5.7	7.3
Pennsylvania	6.9	6.1	5.3
New Jersey	6.9	5.9	4.5
Washington	6.8	6.1	6.0
Maine	10.6	6.6	8.3
New Hampshire	8.0	6.6	8.8
Rhode Island	10.3	5.5	7.6
Vermont	9.3	6.9	6.5
California	—	5.1	4.4
Florida	—	6.0	5.4
Texas	—	6.0	0.6
Illinois	—	6.7	6.6
All Other States	8.5	7.0	4.9
TOTAL	7.6	6.2	4.5

NOTE: Data are equity capital for insured commercial banks, net worth for FSLIC-insured savings and loan associations and general reserve accounts for savings banks, as a percent of total assets.

SOURCE: FDIC, FHLBB and National Council of Savings Institutions.

Table 47

Ratio of Cash and Investments Maturing within One Year to Deposits of Savings Banks, by Selected States, 1982–1986

(in percent)

State	1982	1983	1984	1985	1986
New York	8.27	7.75	8.25	10.28	9.90
Massachusetts	15.54	14.90	17.67	16.31	15.04
Connecticut	15.56	15.00	12.58	15.36	12.29
Pennsylvania	19.33	10.73	7.51	8.01	16.39
New Jersey	25.08	16.36	15.74	14.97	19.94
Washington	10.31	12.56	11.17	4.81	10.13
Maine	15.76	14.74	16.68	16.26	18.99
New Hampshire	15.57	15.51	15.04	13.59	13.38
Rhode Island	19.98	15.14	16.77	26.03	37.85
Vermont	10.62	7.98	6.34	4.24	0.93
All Other States	21.76	16.84	12.52	11.22	18.05
TOTAL	12.76	10.89	11.20	12.14	12.85

NOTE: Cash and investments maturing within one and five years include cash, federal funds, securities and open-market paper.

SOURCE: National Council of Savings Institutions.

Table 48

Mortgage Holdings of Selected Types of Financial Institutions, by Selected States, December 31, 1986

(in millions of dollars)

State	Total	Savings Banks	Commercial Banks	Savings & Loans
New York	99,093	53,631	21,998	23,464
Massachusetts	34,709	21,223	8,928	4,558
Connecticut	26,557	15,830	4,325	6,402
Pennsylvania	42,828	7,938	12,151	22,739
New Jersey	44,895	6,291	10,145	28,459
Washington	17,579	4,541	3,007	10,031
Maine	4,098	2,660	888	550
New Hampshire	5,417	2,784	1,424	1,209
Rhode Island	5,131	1,535	1,641	1,955
Vermont	2,069	795	1,005	269
California	217,986	—	34,488	183,498
Florida	57,627	—	12,304	45,323
Texas	66,158	—	13,367	52,791
Illinois	48,255	—	11,318	36,937
All Other States	345,834	1,143	101,252	243,439
TOTAL	1,018,236	118,371	238,241	661,624

SOURCE: FDIC, FHLBB and National Council of Savings Institutions.

IV. Savings Bank Life Insurance

Savings bank life insurance remains a staple of the thrift business in the three states—Connecticut, Massachusetts and New York—that offer it. Despite a decline in number of policies in force, total insurance has grown modestly but steadily.

Table 49

Total Savings Bank Life Insurance in Force, Including Reinsurance Programs, 1977–1986

(in millions of dollars)

Year	Total	MA	NY	CT
1977	9,971.6	2,382.7	6,824.0	764.9
1978	11,270.4	2,551.5	7,713.5	1,005.4
1979	12,357.8	2,735.7	8,448.7	1,173.4
1980	13,344.4	3,128.4	8,941.0	1,275.0
1981	14,335.6	3,441.0	9,483.6	1,411.0
1982	14,744.6	3,681.4	9,556.9	1,506.3
1983	15,192.6	4,069.1	9,459.8	1,663.7
1984	15,627.4	4,421.5	9,393.2	1,812.7
1985	16,362.6	4,776.4	9,617.0	1,969.2
1986	18,314.9	5,157.0	11,008.0	2,149.9

SOURCE: Commissioner of Banks, Commonwealth of Massachusetts; Savings Bank Life Insurance, Massachusetts; The Savings Bank Life Insurance Company, Connecticut; and Savings Bank Life Insurance Fund, New York.

Table 50

Number of Savings Bank Life Insurance Policies in Force, 1977–1986

Year	Total	MA	NY	CT
1977	1,660,866	837,489	667,202	156,175
1978	1,738,233	844,220	716,313	177,700
1979	1,792,976	846,372	757,204	189,400
1980	1,809,480	844,517	775,494	189,469
1981	1,791,126	826,613	783,007	181,506
1982	1,768,113	803,446	784,202	180,465
1983r	1,801,519	781,961	841,693	177,865
1984r	1,719,380	758,479	782,375	178,526
1985	1,670,314	724,370	769,551	176,393
1986	1,615,797	694,576	748,099	173,122

r = revised

NOTE: Data include the number of ordinary policies and individual certificates issued under group policies. Data for 1983 and 1984 include amounts of reinsurance under various programs. In 1986 policy size limit per bank was increased.

SOURCE: Commissioner of Banks, Commonwealth of Massachusetts; Savings Bank Life Insurance, Massachusetts; The Savings Bank Life Insurance Company, Connecticut; and Savings Bank Life Insurance Fund, New York.

Table 51

Savings Bank Life Insurance in Force, 1977–1986

(in millions of dollars)

		Massachusetts			New York			Connecticut		
Year	Total	Total	Ordinary	Group	Total	Ordinary	Group	Total	Ordinary	Group
1977	9,442.0	2,371.9	1,924.5	447.4	6,824.0	3,813.4	3,010.6	246.1	99.9	146.2
1978	10,574.5	2,535.9	2,031.9	504.0	7,713.5	4,145.0	3,568.5	325.1	110.0	215.1
1979	11,558.4	2,712.5	2,176.0	536.5	8,448.8	4,459.8	3,989.0	397.1	121.2	275.9
1980	12,478.2	3,099.8	2,562.7	537.1	8,941.2	4,687.7	4,253.5	437.2	132.2	305.0
1981	13,379.5	3,408.9	2,879.2	529.7	9,483.6	4,913.1	4,570.5	487.0	142.8	344.2
1982	13,734.4	3,650.1	3,130.5	519.6	9,556.9	5,020.3	4,536.6	527.4	150.9	376.5
1983	15,192.6	4,069.1	3,482.5	586.6	9,459.8	5,002.4	4,457.4	1,663.7	174.7	1,489.0
1984	15,627.4	4,421.5	3,786.4	635.1	9,393.2	4,956.4	4,436.8	1,812.7	194.1	1,618.6
1985	16,362.6	4,776.4	4,097.0	679.4	9,617.0	5,075.7	4,541.3	1,969.2	211.1	1,758.1
1986	18,314.9	5,157.0	4,390.0	767.0	11,008.0	5,510.8	5,497.2	2,149.9	230.4	1,919.5

NOTE: Data include the number of ordinary policies and individual certificates issued under group policies. Data for 1983 and 1984 include amounts of reinsurance under various programs.

SOURCE: Commissioner of Banks, Commonwealth of Massachusetts; Savings Bank Life Insurance, Massachusetts; The Savings Bank Life Insurance Company, Connecticut; and Savings Banks Life Insurance Fund, New York.

Glossary

adjustable-rate mortgage (ARM): A mortgage loan wherein the lender is allowed to change the interest rate applicable on the loan in response to changes in a stated index rate.

borrowings and mortgage warehousing: Lines of credit used by savings institutions to finance the holding of mortgage loans in anticipation of their pooling and sale through mortgage-backed securities.

ceiling-free account: A savings account whose interest rate responds to market forces rather than being constrained by government regulation. As of March 1986, all savings accounts are ceiling free with the complete elimination of Regulation Q.

delinquency, mortgage: A mortgage whose payment is more than 90 days in arrears is considered delinquent.

demand deposits: Deposits which are callable instantaneously by owner, usually through a written draft.

FHA loan: A mortgage loan whose ultimate repayment is insured by the federal government through the Federal Housing Administration. FHA loans carried controlled interest rates until 1983.

federal savings bank: An institution whose charter has been authorized under the deregulation legislation of 1980 and 1982. Usually a former savings and loan association, but occasionally a former state-chartered mutual savings bank.

foreclosure, mortgage: A mortgage whose delinquency exceeds 180 days may be called by the holder of the mortgage and the property claimed.

IRA account: A savings account whose interest and deposits are exempted from income tax if the account is held until retirement. Premature withdrawals are considered ordinary income for tax purposes and are also subject to a 10 percent penalty.

Keogh account: A retirement account similar to an IRA but with higher deposit limits and ownership restricted to self-employed individuals.

liquid assets: Investments readily converted into cash at prices approximating face value; regulatory agencies like the FHLBB and FDIC specify those particular investments that fall into the class of liquid assets.

money market account: A short-term savings account whose interest rate is linked to the rate on U.S. Treasury securities.

mortgage-backed security: An investment vehicle that represents an undivided interest in a pool of mortgages. The first of these securities was guaranteed as to timely payment by the Government National Mortgage Association (GNMA); subsequent issues have been liabilities of other government-related firms or of the private sector.

mutual savings bank: A savings institution, usually state-chartered, whose activities focus on the savings and borrowing needs of consumers. Mutual savings banks are currently authorized in seventeen states.

NOW (Super NOW) account: A transaction account whose deposits are payable on demand (with certain restrictions) but which earn interest. Super NOW accounts carry minimum balances of $2,500 but have no draft restrictions.

passbook loan: A loan secured by deposits held in regular savings accounts. Often such a loan will carry a lower-than-market rate of interest because of the security and low cost to the institution of the collateral.

savings and loan association: A thrift institution focused on household savings and borrowing needs; chartered by either federal or state authority and present in all fifty states.

secondary mortgage market: The market in which mortgage loans may be bought and sold, either as whole loans or through mortgage-backed securities. The major market makers are federally related entities, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation, but a significant private market also exists.

thrift institution: A generic name for a financial institution which is focused on the savings and borrowing needs of households.

transaction account: An account from which deposits may be directly transferred to a third party; for thrift institutions, transaction accounts consist of demand deposits, NOW and Super NOW accounts.

VA loan: A mortgage loan, similar to an FHA loan, guaranteed by the Veterans Administration.

Source Abbreviations

FDIC: Federal Deposit Insurance Corporation
FHLBB: Federal Home Loan Bank Board
FSLIC: Federal Savings and Loan Insurance Corporation

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